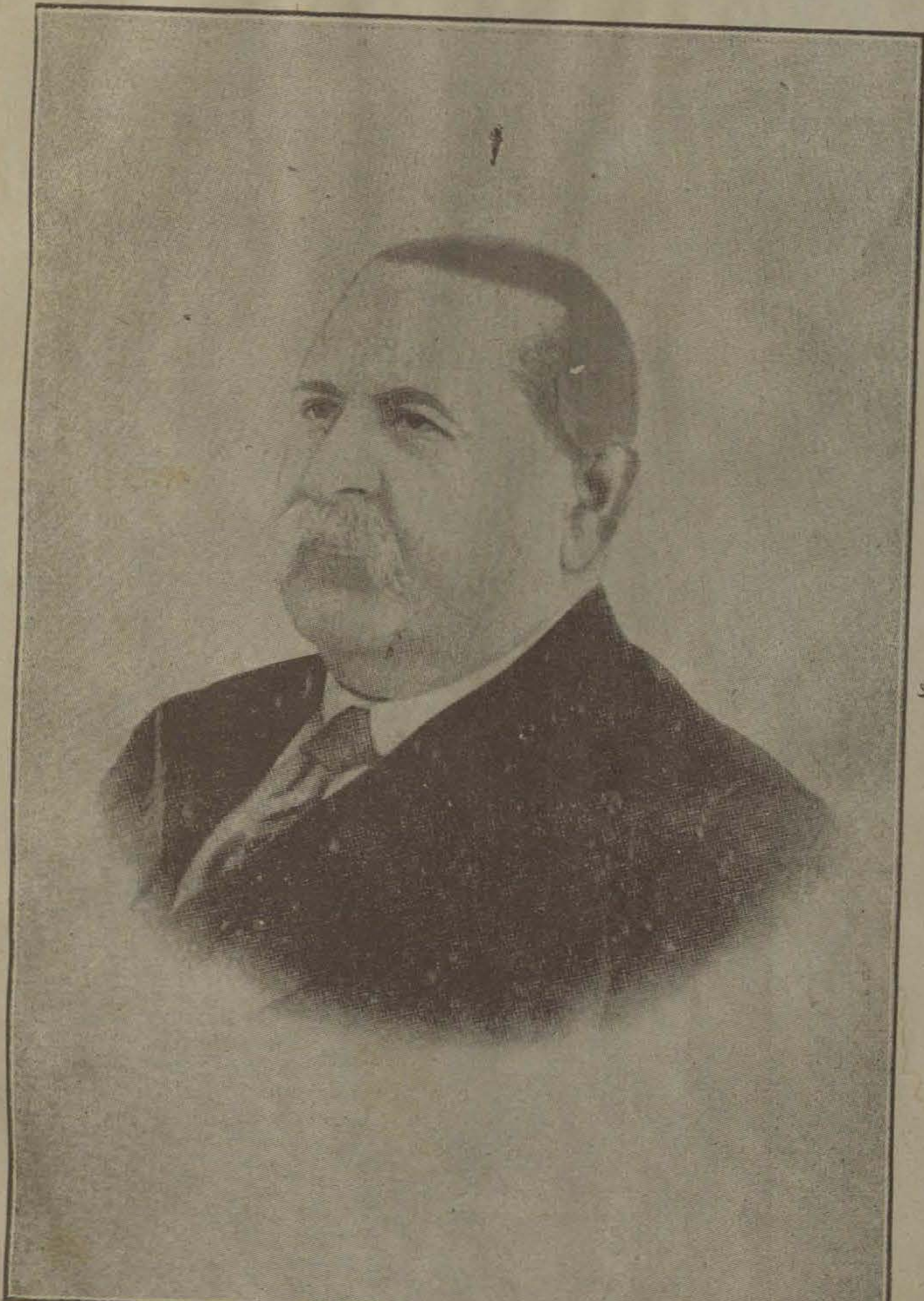
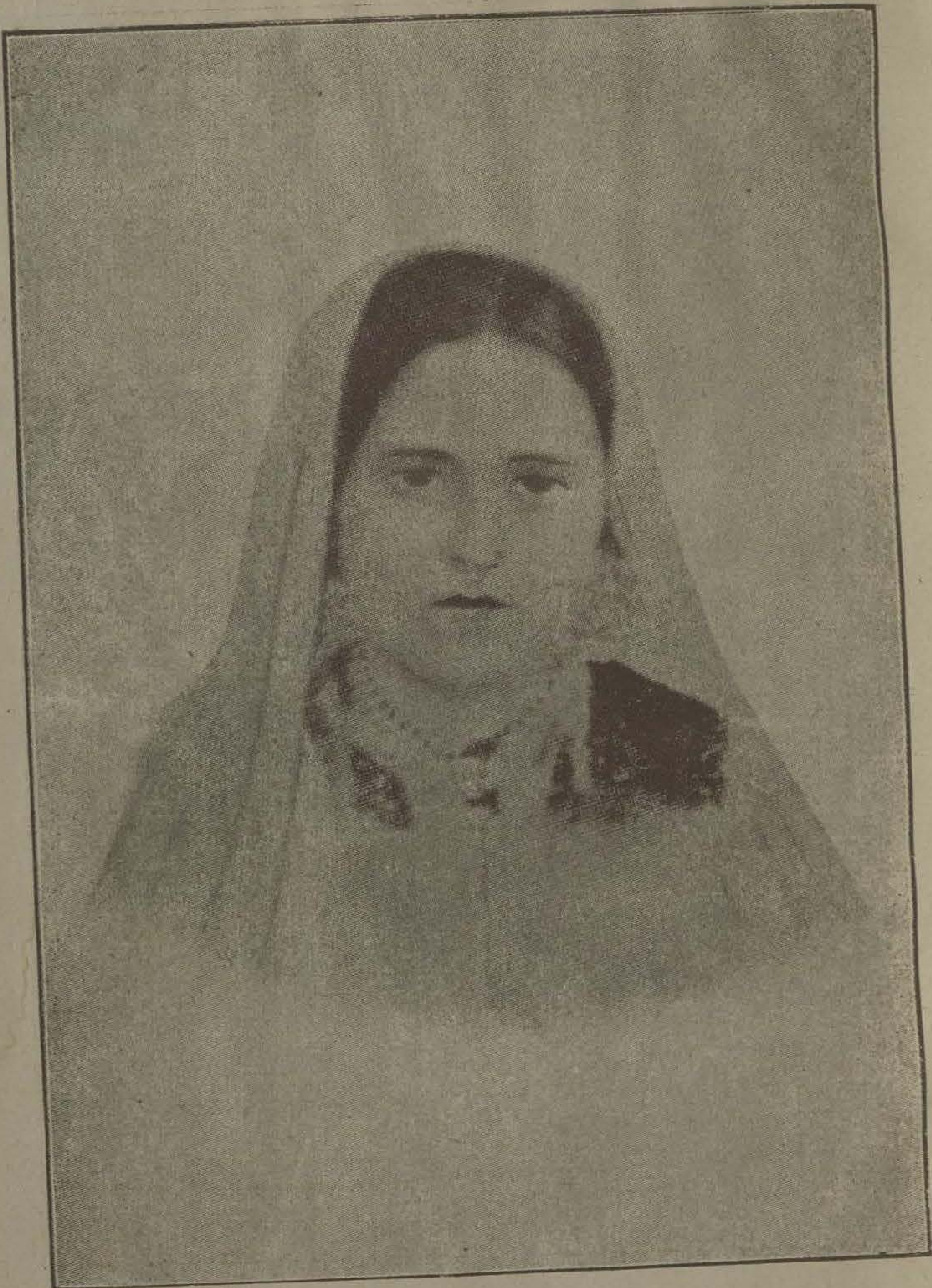
REBEL MINISTER



K. L. GAUBA



(1921)



The Author's Mother

THE REBEL MINISTER

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THE REBEL MINISTER

The Story of the Rise and Fall of LALA HARKISHEN LAL

K. L. GAUBA

ALLIED INDIAN PUBLISHERS
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LAHORE

To

Father and Mother

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What? Have I not received powers, to the limits of which I will bear all that befalls? Have I not received magnanimity? Have I not received courage? Have you not given of endurance?

—*Epictetus*

Preface

I have nothing to complain of as to the reception accorded to my previous books; but will be surprised if I am not abused in some quarters now. What is the use of writing of the dead? Why mention the living? Has it not become a fashion to appoint ex-convicts as Ministers (though Lala Harkishen Lal still holds the records as to sentence) and why praise a 'Napoleon of Finance', when Bombay has half-a-dozen financial Hitlers and Mussolinis?

But a great number of persons feel that the story of Lala Harkishen Lal's contribution to the national awakening of India deserves a more permanent mausoleum than the columns of the daily press—hence—'*The Rebel Minister*'.

There may have not been unanimity as to his methods. or as to his viewpoint at various stages of his life, but few who came into contact with him failed to be mesmerised by his remarkable personality. In spite of its multifaious defects, few who read this book will fail to be touched with the astounding story of Lala Harkishen Lal, the man, who after an amazing career as financier and politician, preferred to break rather than bend.

It is always difficult to adequately appreciate the achievements of an outstanding personality at a

narrow proximity of time. It is all the more difficult when author and subject are closely related by ties of blood; it is still more difficult when the book has to be written at very short notice, in the midst of a great legal battle.

Subject to these extenuating circumstances, this book is tendered as the respectful and affectionate tribute to the memory of one, who was, in the words of his contemporaries, "one of the makers of modern Punjab".

K. L. Gauba

Contents

CHAPTER I

Orphan

It is not with many men in life to witness such varied aspects of fortune as the poverty of an orphan, the difficulties of the poor but an ambitious student, the opulence of a Prince of Trade, the authority of an arbiter of the economic destinies of a great community; a rebel; a convict; and then a high officer of the State. It is also not often that in jail, you find a father and his grown-up sons. But it was a unique experience for the authorities of the Lahore Central Jail (in the summer of 1936) to have in their custody so distinguished a person as Lala Harkishen Lal, as also his two sons, one of whom was a member of the Indian Legislative Assembly. If it was strange for the authorities, it was equally strange for the jail generally. Large batches of prisoners would stop to see this phenomenon. Jails are full of amazing stories, but was any more astonishing than this? But to Lala Harkishen Lal it was just one of those freakish pranks of fortune. He never, even for a moment, felt that it would affect the permanency of his contribution to the social order. He utilised the opportunity of telling his sons, things about himself that he had never before mentioned.

* * * *

How do men become great? And what is greatness? Does greatness lie in results achieved,

or is it to be measured in the quality of the effort made, irrespective of result ?

When one looks back across the gulf of the years that divides the frolics of childhood from the struggles of later years, one is conscious of many changes. Close friends have drifted apart ; foes have become mutual admirers, the apparently hopeless are climbing the heights of fame and popular idols have fallen : indeed the whole world of acquaintances has undergone incredible change. Nature allows no inaction : all things are destined to the inevitable decree of chance and change. Those, who rely too deeply upon the transient fortunes of the day, are often sadly disappointed.

The mystery of life is not greater than the mystery of fortune. Who does not remember his school or college days, and the changes that time has wrought.

Some fall, others rise ; some achieve success, others experience nothing but struggle and bitterness in life. These are the mysteries of life, and not the least of them is the mystery of how some men rise and others do not.

The life-story of Lala Harikishen Lal has nothing to do with the metaphysical or philosophical explanation of this mystery. But the plain prosaic explanation is neither far-fetched nor difficult of comprehension. There are many ways men rise and several ways men fall. Some that start high on the ladder, gifted and blessed with opportunity and

wealth, with encouragement and natural gifts. Others start low; indeed, many at the very foot; the heights of fame are far and dim; the struggle of existence is acute; bread is the primary necessity of life. Who can blame such men who, born in indigence, never rise above the daily calls of life? Credit is to him indeed, who conquers difficulties with courage, pursues a laudable objective with tenacity of purpose, and retains confidence in himself, ignoring the ridicule of friends or the mockery of foes, eventually turning difficulties to advantage.

Admittedly, the greatest factor in success is character. But success is not to be construed as meaning the acquisition of wealth or fame. It means achieving the best that can humanly be achieved in the circumstances. The stones of a quarry are not required to produce oil; their task is amply fulfilled in the burdens they bear. So too in life. The *mali's* boy is not required to climb high on the social ladder; nor is a clerk expected to become Prime Minister. *But he may.* It is well known that J. H. Thomas, Colonial Secretary in the Baldwin Cabinet, started life as a locomotive fireman; Garfield and Lincoln were born in log cabins. Even in India, we have scores of instances of fortunes and eminence attained by those, who took life and their opportunities seriously.

Some men are said to have all the "luck": they are born with silver or gold spoons in their mouths, their cradles may be lined with satin; as

to education they get the best that love and money can find. Yet, we find that it is often the man with restricted means, who has had a difficult struggle in his early years, eventually makes a superior mark in life than his rival from the greenhouse of the aristocracy. The simple and rational explanation of this phenomenon is that struggle develops grit; the tougher the opposition to existence, the sturdier the result. We often marvel at the solitary pine on the mountain rearing its head proudly to the sky. The gales and storms have given it its strength: the weak sapling of the forest would be overthrown in a night. That is why it is always a poor boast to brag about one's family, heredity or ancestry. The simple answer to such self-adulation is the query, "And what are you? The world much prefers the person who rising from obscurity and indigence compels the attention and respect of mankind.

No man has a chance to rise who is afraid of work and manual toil. No man has any chance, if he is not a master in the broad sense of efficiency and superior knowledge. In the modern world, men are more and more given to relying on others and less on themselves. Each has a particular sphere, and the force of competition drives him more and more towards specialisation and mastery of detail. In spheres outside his work he must increasingly rely on those who like him have been forced to specialise. The man, therefore, who can bring to his task an authority and reputation for 'skill' is

the man for whom there is always place in the upper rungs of the ladder.

Not a few men are accused of succeeding by "luck". If one analyses the lives of successful men one will find a comparatively small number, indeed, who have achieved success by their sheer good fortune. Luck, by herself, seems powerless unless supported by other merits and circumstances. The story of Lala Harkishen Lal may have a restricted interest for those who have risen; they have no need for any advice. There is a great deal in the narrative that follows in inspiration for those, who tread the less frequented paths of life. In spite of strange vicissitudes in his personal fortunes, he had always the consolation that his efforts which were consecrated to the improvement of the common weal had not been in vain; and the nation he had served was appreciative. The loss of his fortune in his later years did not inculed the loss of the respect and esteem of his countrymen.

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Leiah, the little town in West Punjab, in which Lala Harkishen Lal was born, lies midway between Dera Ghazi Khan, and within thirty miles, of the frontiers of Baluchistan and the N. W. F. P. Not far away, towards the west, flows the River Indus. On the east lies the Thal Desert. In these rather incongruous surroundings, where nature was still very much in the elements, in the early sixties of the last century, (or to be exact—13th April, 1864) Lala Harkishen

Lal was born to a fairly important but not a very opulent family, which had migrated half-a-century earlier from Garhshankar in the Multan Division.

Lala Harkishen Lal's father was a clerk in the office of the Deputy Commissioner at Multan, but died when he was still in his twenties. He left two sons, Daulat Ram and Harkishen Lal aged six and four respectively. The mother of the two boys died, when the Lala was two. At a very early age, therefore, Lala Harkishen Lal became an orphan. His childhood was spent partly in Leiah and partly in Dera Ismail Khan, where he attended the local school.

Both brothers were bright and did well at their studies, winning scholarships, which assisted them in continuing their education. Lala Daulat Ram found employment at a comparatively early age, in the Court of Sessions as a clerk, and gave up his studies for the more serious pursuit of making a living. Lala Harkishen Lal continued to plod through difficulties, disappointments, mainly of a financial nature, in pursuing his studies. His education was paid for partly by his brother and partly by his uncle, Lala Harjas Rai, out of the joint funds.

The most momentous journey of his life was made in 1882, when he decided to take the road to Lahore for the purpose of finding admission into one of the colleges. He travelled for several days, partly on foot and partly by cart, the two hundred odd miles between Leiah and Lahore, travelling by day

and sleeping the night on bridges and culverts by the roadside. When he arrived at Lahore, he found that the money left was insufficient to secure him admission in to college. Many are ambitious, but few have the will or the patience to persevere. But apparently, Lala Harkishen Lal's will and ambition were both at this time sufficiently pronounced. He had set out from home to make good; he was determined not to return until he had attained his objective.

Some time was lost before money could be found to pay the necessary fees to gain him admission into college. As he had done well with a first class in the Matriculation Examination, his brother and uncles were prepared to believe that he would do well in the college too. He was accepted at the Government College, Lahore. Here he had an exceptional career. He gained a "first" in the Intermediate Examination, and again a "first" in the Degree Examination of 1886 gaining honours in Mathematics. He had also the distinction of standing second in the entire province.

In 1887, Government, on the recommendation of the authorities of the Punjab University and the Government College, nominated Lala Harkishen Lal as the first student from the Punjab to a State Scholarship, tenable at a British University for three years. Lala Harkishen Lal left for Europe in the summer of the same year with the most flattering credentials. He had no difficulty in gaining admission to Trinity College, Cambridge, where the next three happy years were spent.

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In later years, Lala Harkishen Lal ascribed a great deal of his success to the influences that bore upon his mind at Cambridge. He worked for the Mathematical Tripos, but spent a great deal of his time in studying Economics, to which he had taken a profound liking. With the course of these studies, he combined excursions into Philosophy, in particular to works of John Stuart Mill, Adam Smith and Rousseau. His mind was soon disturbed on the question of the economic consequences of the British connection with India. Paradoxical though it may seem, Oxford and Cambridge form the fertile breeding ground of revolutionaries and antagonists of the British Empire.

As the notes written by Lala Harkishen Lal during his residence at Cambridge show, he was troubled for a time with the problem, whether western education is detrimental to the development of Indian genius. A short genesis of the question, which was considerably debated at the time, was that some writers had referred to India as a land of "barbarians"; the people of India were "without culture", "without civilisation" To controvert this calumny a counter-movement of self-appreciation began. To those who took a dispassionate view, a certain amount of the latter was commendable, but everything has its limits, even self-appreciation. In appreciating ourselves, in being proud of a truly great heritage, it was, however, not necessary to pose as if India had really nothing more to learn.

It was necessary to realise that India was counterpart of a new world, and was in the need of the endeavour to strike a happy medium, between the past and the present. It was even necessary to remember that India has been in comparative political subjection and mental inactivity for a considerable period. The whole of western world was "free",—it had been moving, growing, while Indian cultural progress had come to a standstill. Europe had been living a progressive and energetic life, while India had been asleep. Thus was it to be wondered at, that a great deal of what was considered modern knowledge was embodied in languages alien to India. A modern education became almost synonymous with a western education. In trade, commerce, agriculture, manufacture and business, in fact in economic and social intercourse of every kind., the West was leagues ahead of the East.

To Lala Harkishen Lal, and to the more advanced of his generation, the future was everything. The past, great as it was, was of little consequence. They believed that they had numerous questions to solve of political, of social and economic importance. India had a costitution to evolve, a social system to reconstruct. They foresaw that in the near future, India would claim an important status in the comity of nations. They felt—rightly to be sure—they were the builders of a new continent. In domestic affairs, they had problems of poverty, disease, ignorance, superstition and slavery. How were they going to solve these needs of the country ?

There was considerable body of opinion that would have India hark back to the ancients, who would have her seek remedies for her present ills in a past and bygone philosophy. But such philosophy, to the generation of Lala Harkishen Lal's contemporaries, seemed unsuited to India's needs. Priests and Pundits poclaimed that the true life was one of self-renunciation and that true heaven lay elsewhere. But to the practical philosopher there was only one salvation and that was to meet the West with western means, materialism with materialism and action with counteraction. They believed that the old philosphy of life should be rejected. Summed up, the New Light that seemed to inspire hope and afford new remedies for old ills taught a philosophy of life very different to ancient precepts.

The most important position among the students of his generation at Cambridge was attained when Lala Harkishen Lal was elected President of the Indian Majlis. The Majlis, which had been started a few years earlier, represented the collective body of Indian student life in the University. The Majlis continued to fulfil an important part of the life of the Indian student for thirty odd years, during which time some of the best known figures in Indian social, political and economic life, passed through its portals and obtained their first experience in administrative responsibility from the tenure of its more important offices.

Lala Harkishen Lal graduated with honours in Mathematics in 1890. He was then twenty-six. He

had partly studied for the Bar. At Cambridge he had attracted the attention of the well-known Professor Marshall, Professor of Economics. It was necessary, however, for Lala Harkishen Lal to stay on in England for a while longer to complete the course at the Bar, and to take the Honours Course in Economics, which Lala Harkishen Lal hoped to add to his qualifications in Mathematics. Once again, however, the problem of finance was of overwhelming importance. The State Scholarship proved insufficient to meet his requirements and he was deeply in debt.

In the winter of 1890, Lala Harkishen Lal returned to India in the hope of finding money to pay the debts incurred in England. Most of these debts were to booksellers, who had found in him an extravagant customer. For a time he officiated as a Professor of Mthematics in the Government College and part-time Professor of Persian in the Oriental College, Lahore. He also took private tuition in Mathematics and Economics to supplement his income as a Professor. In the course of a year, he had collected sufficient, partly through frugal living and partly once again with the help of his relations, uncle Harjas Rai and others, to go abroad again.

In the course of the next year, he was called to the Bar from the Middle Temple and travelled on the Continent. Lala Harkishen Lal returned to India in the following year to set up as a lawyer,

first at Dera Ismail Khan and then, a few months later, at Lahore.

Almost immediately, Lahore became conscious of a new force, a young and impressive personality, who did not quite follow the accepted theories of the day, and struggled with his environments like an eagle eager for the chase.

CHAPTER II

'Napolean of Finance'

When Lala Harkishen Lal moved to Lahore, Sir Denis Fitzpatrick presided over the activities of the Punjab Government. The judges of the Punjab Chief Court (as it then was) included great names in the legal annals of the province. The Bar was led by Lala Madan Gopal and Mr. William Rattigan (later Chief Justice). The giants of later years were juniors, or had not yet joined. Lala Ganpat Rai had at impressive criminal practice, Shafi and Shadi Lal had not yet reached the dizzy top, Lala Lajpat Rai, Mr. (later Sir) P. C. Chatterji and Mr. K. P. Roy were doing well. The Arya Samaj had not yet taken possession of the most lucrative avenues of the Bar.

Into an arena of formidable competitors, Lala Harkishen Lal plunged with customary earnestness of purpose. There was no gainsaying that he had marked ability, industry and perseverance. All these qulities had enabled him to complete his career at school and college with distinction, and these were the requisites to a successful career at the Bar. Lala Harkishen Lal was, moreover, no mere raw youth, who had scraped through a law examination. He was now a man on the verge of the thirties. In the struggle of life, he was a few years

behind time, compared with others of his age, but what he lacked in experience, he made up in wider knowledge and an abnormally quick wit. He also had the recognized ingredients of success,—the capacity to work hard and take pains. Years of study of Mathematics had developed a keen faculty for analysis, which is always an important weapon in the armoury of a successful lawyer.

It was not long before he attracted the attention of the leaders of the Bar. Both Madan Gopal and Rattigan treated the new-comer as their protege, and would endeavour to have him briefed as a junior, wherever possible. He soon became an important figure at the Chief Court Bar and for a time acted as Secretary of the Bar Association.

Lala Harkishen Lal came into great prominence, like most lawyers, in a case that others had turned down. Maulvi Inshaullah of the *Watan* was at cross purposes in a defamation matter with the *Civil & Military Gazette*, Lahore, then, as it is now, an important Anglo-Indian daily. A brief against the *Civil & Military Gazette* in those days would be like a brief against Sir Herbert Emerson to-day and meant arousing the animosity of provincial officialdom, of which it was a mouthpiece. The editor of the *Watan* could find no one to accept the brief except Lala Harkishen Lal. The Lala's cross-examination of the editor of the *Gazette* was ruthless. The *Watan* published a verbatim report of the cross-examination, which enabled him to make up in reputation, what he had foregone in remunera tion.

There is no doubt that in 1898, and at the beginning of 1899, Lala Harkishen Lal was recognised among those, with the most promising outlook in the profession. But his association with the Bar as a member was soon to terminate : he held already started on a road, that eventually led to an entirely different and rather romantic future. The Economics that Lala Harkishen Lal had learnt from Professor Marshall, were not, to his mind, mere theories for the drawing-room. Surely they could be usefully applied to some of the problems that beset his country. As early as 1894, he found his mind disturbed with yearnings in another direction. The question was could he successfully employ European theories and methods to Indian conditions and Indian temperament ?

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It is a travesty of history, a misrepresentation of human nature, to say that any nation gave another its freedom out of humanitarian motives or because it deserved it. In the laws of nations, as in the laws of men, there are but few ethical principles. The history of freedom has but one lesson to teach—No man can be free unless he has the will and the strength to be a free.

How was India to secure her place in the, sun ? It was yet a quarter-of-a-century before, according to Mahatma Gandhi, it could be won by spinning. The people of India were looking for a new message, more rational, more practical, more in consonance

with the spirit of the times. India was fortunate in finding pioneers who were ready to adopt modern means to industry and agriculture. The mass of the people had as yet no inclination to abandon the simplicity of the life, which had held good for centuries of India's history. It was apparent, however, that every year showed that the needs and requirements of the average Iadian were on the increase. As every man soon becomes a slave to his needs, there were two rational ways of meeting the problem, importation from abroad, or indigenous production.

The superiority of the West lay in the efficiency of organisation, and control of raw materials. The cost of production and measure of labour, in inverse ratio provided the factors of efficiency. Rapidity of transport, value of time and closer communications were the great lessons India had still to learn.

For the race could India muster the necessary energy and ability? The organisation of industry and finance were more difficult problems than pure politics. Could India produce industrial leaders of the requisite type and quality? Bombay had already found Jamshed Tata. It was now Punjab's turn. Judged by the standard of the West, India had entered the race for equality. Only by this road could the goal be achieved. In the Punjab there was at least one person, who was already taking a real inrerest in these vital problems, an interest not confined to the text-books.

Lala Harkishen Lal, no doubt, also realised that the most potent cause of revolution and social upheaval is usually economic. Hunger and want were the main forces that overthrew the aristocracies of France. There were also signs of disturbance within the social spheres of European life. Awakening of class conscientiousness was rapidly becoming a major problem. The relation between the nations, one with another, the friction between communities and the rivalry of individuals are eventually governed by economic conflict, wages by "have-nots" against the "haves". The exploitation of Asia and Africa by European nations was the primary motive for the assumption of the trusteeship of the coloured peoples in the name of civilization. Up to the present day Europe, whether it has been a question of the Ruhr, or the Danube, or Greece or Turkey of Russia or of Ireland, in America, whether it concerns the rights of negroes or the emigration of Asiatics, in the East, the problem of China, Persia or the Afghan frontier, fundamentally the proposition the world over is one and the same—economic. But in no country was the problem more important than in India. The struggle with the bureaucracy, the struggle of the communities, the conflict of rural and urban interests, if accurately fathomed, were pure and simple economic strggles.

Would India always be the milch cow of foreign commerce ? Lala Harkishen Lal felt that the circumstances, though adverse, were not inevitable and permanent. He believed firmly that success followed

initiative and perseverance. He believed that hard work paid good dividends. There were the stories of other pioneers before him. In Canada and the United States astounding things had been achieved. Germany and America were rapidly capturing an important place among the economic powers and Japan was silently organising her resources, no doubt, to exploit in good season, the limitless and profitable markets of the East. That is how nations were making their mark in the destinies of the world.

In India, the question of unemployment and industry were also of importance, India was sadly not behind the unfortunate tendencies of the times, to drift from the field and the lands to the towns and the streets. From productive occupations, the turn was towards unproductive careers. The world's wealth comes from the open field, the forests and the mined depths, and from factories. In India, young men were rapidly drifting from their villages to the large cities, from the ploughs of their fathers to secretariate desks. There were few factories to absorb the growing numbers of educated unemployed.

What was wrong and what was the remedy? These are interesting questions. To Lala Harkishen Lal's mind, it appeared that unless it could be brought home to young men that there were other walks of life equally honourable, equally useful and far more remunerative than the life of petty clerk-ships in Government Offices, the problem of unemployment would never be solved.

The realms of industry were wide and presented golden opportunities for ambitious men to harvest and exploit. Lala Harkishen Lal discussed these problems with his friends. He was asked what about capital ? Could he create industries without capital ? True capital would be shy, but that was one of the problems that had beset every pioneer in the commercial field. Initiative imagination and courage had solved these problems before. The life-stories of many industrial leaders of the West showed that they too had started life, in many cases, penniless. The harvest of millions, which they reaped in later years was the harvest of industry and labour.

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No large scale promotion of industry is possible without requisite finance. In Europe and America Banks and Insurance Companies have been the foundations of industrial growth. Lala Harkishen Lal rightly, therefore, first turned his attention to the organisation of banking institutions and insurance companies.

In 1896 with the assistance, among others, of Seth Jassawala, a Parsi General Merchant of Lahore and Seth Prabha Dyal of Multan, the Bharat Insurance Company was floated. It was the first effort to promote an All Indian Insurance Company in India. One of the clauses in its constitution was that none of its shares could be held by non-Indians. There was much heart-burning among foreign companies then in the field. The latter looked upon insurance as very much of a preserve. Here was a

Direct challenge. It was, however, no easy task to sell shares of policies. Patriotism alone would not induce people to part with hard-earned money. But Lala Harkishen Lal devoted considerable time himself to field and office work and eventually succeeded in placing the company on an effective basis.

A year earlier than the Bharat Insurance Company came the Punjab National Bank. The first Board of Directors of the Bank included Sardar Dyal Singh Majithia as Chairman and Lala Harkishen Lal as Honorary Secretary.

The first Board of the Bharat Insurance Company included Lala Harkishen Lal, Seth Jassawala and Seth Prabhu Dyal. Lala Gian Chand Wadhawan was the first Secretary and Dr. Beli Ram was Chief Medical Adviser. Dr. Beli Ram then commanded a unique practice and he not only examined the proponets that the new company sent to him, but induced his patients to insure against the future with the Bharat. A great predisposing factor in the almost immediate success that came to Lala Harkishen Lal was a personality that inspired confidence. It was well known that he was the confident and friend of Sardar Dyal Singh Majithia, the proprietor of the *Tribune* newspaper, and a millionaire philanthropist. The then Raja of Sheikhupura employed Lala Harkishen Lal as his financial adviser and various people sought his advice for new ideas in making money.

The Punjab Hindu Mutual Family Relief Fund was an effort at co-operative relief among the

Hindus, and after some controversy settled down to a period of comparative prosperity.

All these institutions, the first efforts of Lala Harkishen Lal to industrialize and commercialize Punjab, are still functioning and have grown to immense proportions. After forty years and more it is difficult to recall the early vicissitudes, the splendid efforts, the confidence and the perseverance of Lala Harkishen Lal, and his friends, who by dint of sheer courage and adventure made these institutions possible and laid the beginning of a great commercial and industrial awakening in the Land of the Five Rivers.

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In 1892 Lala Harkishen Lal attended the eighth Indian National Congress at Allahabad. Even as a student he had taken a live interest in the activities of the Congress. In the seven years that had elapsed since Hume, Wedderborn and Naroji had laid the foundation of the Congress, the creed of this body had become the creed of the more politically minded. This consisted, *firstly*, of the fusion into one national whole of all the different and discordant elements that constituted the population of India, *secondly*, the gradual progress of the country along all lines, mental, moral, social and political, and, *thirdly*, the consolidation of the union between England and India by securing the modification of such of the conditions as may be unjust or injurious to the latter country.

With these objects in view the Congress was holding annual, but comparatively uneventful, sessions. It was indeed, however, exercising a great influence in inducing a spirit of national unity among the diverse peoples of India and focussing the attention of Government on the chief political grievances, and, in providing a training ground for Indian politicians.

In Loyalist and Government circles, the Congress was, however, looked on with suspicion as an extremist organisation. The Punjab has, consistently, maintained a reputation—as true in 1937 as it was in 1857—as the safe backwater of imperialism. It was, naturally, no easy task, in the nineties, to hold a session of the Indian National Congress in the Punjab. Few were willing to invite the Congress to hold a meeting at Lahore. It meant, in the first place, a considerable financial responsibility; secondly, and, more vitally, it meant alienating the authorities.

Lala Harkishen Lal and Bakhshi Jaishi Ram (father of Mr. Justice Tek Chand) without having any assurance of any kind that they would be supported in the Punjab, volunteered to suggest a Congress Session at Lahore, if the Congress would accept their invitation. It was a brave offer, but not a foolhardy one, as the Session proved a success. A very successful meeting was the best tribute to their labours.

In the course of his Presidential Address, Mr. Dadabhoy Naroji, then M. P. for East Finsbury,

made the following reference to the Punjab, which reads well even after half-a-century :

" The occasion of this session of the Congress in Punjab has been a most happy coincidence. On Punjab rests a double responsibility, on external and one internal. If ever that hated threatened invasion of the Russians comes on, Punjab will have to bear the first brunt of the battle, and contented under British Rule, as I hope India will be, Punjab will fight to her last man in loyalty and patriotism—loyalty to the British power, and patriotism to protect the hearths and homes of her beloved country of India. (Loud applause).

" The internal responsibility which at present rests upon the Punjabees and other warrior races of India is this. I have always understood and believed that manliness was associated with love of justice, generosity and intellect. So our British tutors have always taught us and have always claimed for themselves such character. And I cannot understand how any one could or should deny to you and other manly races of India the same characteristics of human nature. But yet we are gravely told that on the contrary the manliness of these races of India is associated with meanness, unpatriotic selfishness, and inferiority of inellect, and that therefore like the dog in the manager, you and the other .warrior races will be mean enough to oppose the resolution about simultaneous examinations, and unpatriotic and selfish enough to prevent the general progress of all India. (Shame)

"Can offence and insult to a people, and that people admitted to be a manly people, go any further? Look at the number of Punjabees studying in England. Note this happy coincidence of this meeting in Punjab: you, considering every son of India as an Indian and a compatriot, have invited me—not a Punjabee, not a Mohammedan, nor a Sikh—from a distance of thousands of miles to enjoy the honour of presiding over this Congress, and with this gathering from all parts of India as the guests of the Punjabees, you conclusively once for all and for ever set the matter at rest that the Punjabees with all other Indians do earnestly desire the simultaneous ezaminations as the only method in which justice can be done to all the people of India, as this Congress has repeatedly resolved. And, moreover, Punjab has the credit of holding the very first public meeting in favour of the resolution passed by the House of Commons for simultaneous examinations. (Cheers)."

Another session of the Congress was held in Lahore in 1900. This time again the organisation was in the hands of Lala Harkishen Lal, who was the moving spirit. Mr. N. G. Chanderwarker presided over this session.

[5]

Before leaving for England a second time, Lala Harkishen Lal became engaged to Bibi Jeevani Bai, the daughter of Malik Amir Chand of the Police Department. The family belonged to Dera Ismail Khan, in the North West Frontier Povince.

Malik Amir Chand was killed in an encounter with dacoits and the marriage was delayed for some time.

Lala Harkishen Lal's marriage took place in 1896. He was then 32 and his bride 18. A boy was born in 1897, but died the following year. In 1899, another boy was born and he was called Wasdev by his mother and Kanhaya Lal by his father, the birth having taken place on the 28th of August, 1899, which synchronised with *kanam Ashtami* (Birthday of Krishna or Kanhaya) of that year. Sushila was born in 1901 and another son in 1903. On the 10th of October, 1903, when the new arrival was only a few days old, his mother died, at the early age of 25 leaving behind three children, who were then cared for by their grandmother. The youngest was called Jeevan Lal after his mother.

[6]

Lala Lajpat Rai once pertinently enquired, "Are Hindus cowards ?" His own answer to the question was that Hindus are given to analysis, but lacked the capacity of arriving at a synthesis. In his opinion the symptoms had the appearance of cowardice, though they actually were not so, but the political incapacity of the Hindu community was due to doubt and fear, there being a fine distinction between fear and cowardice. Whatever the nicety of the position, Lala Lajpat Rai,, however, exhorted his listeners to follow a creed of action and positivism, much in the mood of the *Gita*. In a less materialistic age, he might have commended on

the philosophy of Arjuna, and Gautama Buddha may have been cited as a model, but Lala Lajpat Rai, in his wide travels in America, learnt a great deal of the secrets underlying the strength of Western Nations. His conclusion was that although Mahatma Gandhi had removed a great deal of our doubts and fears, these were nevertheless so firmly seated in the Hindu mind, that they overcame any temporary call for fearlessness.

This exhortation to the Hindus was made in 1925. A quarter-of-a century earlier, it was generally recognised that there was, at least, one Hindu in the Punjab, who neither knew doubt nor fear, and this was Lala Harkishen Lal.

Lala Harkishen Lal had brought the Congress to the Punjab regardless of consequences. He had aroused the hostility of the European commercial community, by promoting an All Swadeshi Bank and an All Swadeshi Insurance Company. In his private life he showed the same courage. He went to Peshawar, and to the dismay of his hosts, he would go out for long strolls on lonely roads after sunset. Twenty-five years ago, if travelling was uncomfortable, annoying and often humiliating, it was to the native of this country, generally the most patient, tolerant and silent sufferer in the wide world. There was little etiquette or courtesy shown, even to first-class or second-class travellers. From the time one purchased a ticket, to the duration of the entire journey, one was liable, in those days, to be left behind, or to lose his seat, even if one had been

found. These incidents happened equally to Lala Harkishen Lal as to other Indian gentlemen, but Lala Harkishen Lal never accepted any intrusion on his rights as final. When his luggage was moved, he would retaliate by throwing the intruder's luggage out of the window. His advice to his friends and members of his family was "My experience has been that the less polite you are on a journey, the more polite you will find others. The most effective way of reaching your destination in time, or in catching connections, or in obtaining assistance from the station staff, and due attention in the restaurant cars, is to put on the airs of a prize fighter, to carry a heavy stick, to pronounce your wants in a voice of authority; get your bearer to remove your shoes in the middle of the platform, and insist on your rights. Above all, right or wrong; never give in".

A great deal of this philosophy, Lala Harkishen Lal applied not only to travelling, but other details of life. Right or wrong, he would insist upon his viewpoint, and, would never give in. Euphemistically this quality is termed an " 'iron will", less euphemistically 'obstinacy', Whatever it was, for thirty-nine years it proved one of the most effective reasons of his success.

[7]

Among the several companies promoted and organised during the period 1901 to 1906 were The Punjab Cotton Press Company Limited, The Peoples Bank of India Limited, The Amritsar Bank Limited,

The Cawnpore Flour Mills Limited, The Century Flour Mills Limited and various Soapmaking, Brick-Kilns, Saw-Mills, Ice Factories and Laundries.

Of these the most important were The Punjab Cotton Press Company Limited, and the two Banks. The Banks were promoted when owing to certain differences having arisen with the Directors of the Punjab National Bank, Lala Harkishen Lal left that institution. The Peoples Bank and the Amritsar Bank both developed fast, and, by 1912, had over 70 branches in various parts of India, largely controlling the internal exchange rate as also the interest chargeable by banks on loans and short term credits.

The Punjab Cotton Press began in a small way, with a few ginning factories at Toba Tek Singh and Pattoki. Gradually the company grew to impressive proportins—a paid-up capital of 10 lacs and an up-to date Flour Mill at Shahdara—the largest of its kind in Northern India—Ice Plants and miscellaneous side-line industries. Side by side with the Cotton Press was the Spinning and Weaving Mills Company Limited, a company operating plant and machinery of the value of over 25 lacs.

By 1906, Lala Harkishen Lal was established as the financial dictator of the Punjab. Almost everything he handled seemed to turn to gold. His Mills, his factories, his banks and insurance companies were making money for him and his shareholders. He was recognised by Government and people as

almost a financial wizard. His services received the approbation of Government. He was nominated to the Punjab Legislative Council, which had been formed under the Minto Morley Reforms. The membership carried with it the honorific prefix of Hon'ble.

With the success of his ventures and the growth of his personal fortunes, Lala Harkishen Lal moved from Shahdara to Lahore. Soon after he had abandoned the Bar in 1899, he went to live in the premises at the factory at Shahdara, in which he was interested. There Jeevan Lal was born, his other children having been born in Lahore.

Later, Lala Harkishen Lal moved to a small house outside Mori Gate, where he lived for about a couple of years. From here he moved to a house at the corner of Beadon and McLeod Roads (the house now occupied by Dr. K. R. Chaudhri, F.R.C.S.), In 1906 he was fortunate in acquiring a large estate on the Ferozepur Road called " Westbourne Lodge ". It consisted of a bungalow and several acres of gardens. Land was cheap then, Lala Harkishen Lal paying Rs. 25,000 for the entire property. Here, he put up, what was virtually, a palace, decorated and furnished with the latest amenities and expensive furniture. The value of this property, with its contents, in later years, was estimated at several lacs.

At Ferozepur Road, Lala Harkishen Lal gathered together the largest private library in Northern India, and one of the most magnificient collections

of oriental manuscripts and paintings ever assembled in the country by a private person. To collect books and works of art constituted his main recreation. He was a voracious reader of books on philosophy, religion, science and economics. He detested fiction. He regarded fiction in the literal meaning of the term itself, *i.e.*, facts divorced from the reality of life, and, and as such, he had no use for them.

Although Lala Harkishen Lal built a palace, he preferred himself to live simply in a very small room in the top storey, which was a combined bedroom, dressing-room and semi-office. For the decoration of this room he commissioned an artist to travel through Punjab and paint all the most interesting beggars he could find. Nearly a hundred types were painted, and amidst these, he lived and did the best part of his work. Asked to explain what all this meant, he would say that there were two reasons for this :—First every man, shorn of his trappings, is no better than a beggar, secondly, he personally started life in comparative poverty, and by having these portraits around him, he would never forget from where he began. Very few persons, who begged at his door, were ever turned away.

[8]

Lala Harkishen Lal gave his children a liberal education. He engaged a European governess, and later a tutor, to whose care he consigned them. He expressly gave permission that they may be allowed to be told of the life and teachings of Christ.

He had a *maulvi* to teach them Urdu, and a Sikh teacher came for Gurmukhi. From their early childhood, therefore, his children had the advantage of hearing at first hand the viewpoint and the claims of Christianity, Sikhism and Islam.

In 1908 the Hon'ble Lala Harkishen Lal (as he then was) married a second time. He went wider afield in search of a wife than his contemporaries. It was in Kolahapur, in the Bombay Presidency, where he found Miss Yamna Bai Kelavker, She was already a graduate of the Bombay University, having graduated from Ferguson College, Poona. Two of her sisters were qualified medical practitioners, another was married to the Nizam's personal physician. The marriage was celebrated with great pomp and prominently featured in the Punjab and Bombay press at the time. The marriage was celebrated under Sikh rites, Lala Harkishen Lal having a distinct partiality for the Sikh faith.

Soon after the marriage, Lala Harkishen Lal went to Europe with his wife. This was his third visit. The trip included England and several countries of the Continent.

The winter of 1909 and 1910 was important and memorable to Lahore. The Twenty-fourth Session of the Indian National Congress synchronised with the Punjab and N.W.F.P. Industrial Exhibition held in Minto Park, Lala Harkishen Lal was the moving spirit in both. He was Chairman of the Reception Committee of the Congress and General Secretary of the

Exhibition. The Exhibition had the support of the Punjab Government and was opened by the Lieutenant Governor, Sir Louis Dane. A large number of important persons came from other provinces to Lahore for these functions and Lala Harkishen Lal's house was the centre of sumptuous hospitality.

It is perhaps proper to mention here that Lala Harkishen Lal acted as the host of Mr. Ramsay Macdonald and Mr. Keir Hardie, M. Ps. during their visits to Lahore.

In 1911, Lala Harkishen Lal and his wife were among those invited from the Punjab to attend the Delhi Durbar. Mrs. Harkishen Lal, however, could not attend as she was expecting an event.

In February 1912 a son was born, who was named Manmohan Lal.

[9]

Those who, in the year 1937, live in Lahore or in the many other towns of the Punjab and turn on a switch for light, or a regulator for a fan or a refrigerator, or run a small industry with electric power, little remember the romance behind the amenities they now enjoy. It was no easy matter to introduce electricity into the homes and the business of the people. It was left to the Wizard of Punjab Finance to solve this problem, after many others had turned it down.

For over 15 years, the proposal to supply Lahore city and civil station with electric light was hawked

around, and several efforts were made by various individuals, syndicates and the Municipality of Lahore. But for one reason, or another, the efforts did not fructify, and Lahore remained behind other provincial capitals of India in this respect.

In July '08, when Lala Harkishen Lal went to see the Lieutenant-Governor (Sir Louis Dane) at Simla, he mentioned that he was about to visit England. Sir Louis, who had a great opinion of Lala Harkishen Lal, promised him some letters of introduction to people in England, which he provided a few weeks later. One of these letters was to a Mr. Tyson, the principal partner in the British Syndicate, which had been granted a licence to electrify Lahore. Tyson introduced Lala Harkishen Lal to the Chairman of the Syndicate who placed all the available information at the disposal of Lala Harkishen Lal, in response to the request of Sir Louis Dane. As the Syndicate, at that time, had a representative at Lahore trying to enlist local sympathy in the scheme, Lala Harkishen Lal had, therefore, to wait. Failing, however, to enlist local sympathy to the extent desired, and, in consequence of the unwillingness of the London market to support an Indian venture, on account of the troublesome times, of '07 and '08 following the arrest and deportation of Lala Lajpat Rai, the Syndicate retired from the field. The Lahore Municipality then took up the matter. TheMunicipality in its turn abandoned the idea. Then the Punjab Government took the matter in hand, and invited public tenders for the

supply of electric power to Government buildings, notifying at the same time that the successful tenderer would olso have the right of obtaining a licence for the supply of electric power to the whole of the Municipal Area of Lahore. Upon this, the Local Directors of the Delhi Electric Supply Company, a company registered in England, suggested to their London Board to apply for the concession. In view of the intentions of the Delhi Electric Supply Company, and their influence in London there was no hope for any rival. But for reasons, best known to the London Board of that company, they decided not to apply for the concession. When this decision became known only two days remained for the filing of the tender. There was no time to float a new company or to form a syndicate. Lala Harkishen Lal looked up the articles of association of his various companies, and found that the only company enabled to apply for the licence, was the Peoples Bank. He summoned an urgent meeting of the Directors and induced them to rush an application. The application was made on the 26th February, 1911, and was granted by Government in July of the same year. In pursuance of the terms of the accepted tender, the Bank applied for the grant of the licence for Lahore Municipal Area, which was also accepted. Then Lala Harkishen Lal undertook to form a joint stock company for the object of exploiting the licence. The Lahore Electric Supply Company thus came into being in April 1912. The building operations were then begun, and the Peoples Bank

purchased from the Punjab Government nearly the whole of the plant which the Government had imported for what was known as *Ravi Syphon Scheme*. The terms of purchase were favourable. On the formation of the Lahore Electric Supply Company, the Directors of the Peoples Bank agreed to transfer all their rights, privileges and concessions to the new company without any advantage, treating it as a proposition for the benefit of the people of Lahore, and not as a business proposition. The Directors of the Bank, also agreed to finance the new company, until such time as sufficient shares and debentures had been sold. It is needless to add that in the promotion of this important scheme, Lala Harkishen Lal charged no promotion money. As a matter of fact, in all the businesses that he ptomoted, no promotion money was ever paid to any one directly or indirectly.

The Lieutenant-Governor, Sir Louis Dane, opened the scheme by pressing the switches in the *Gol Bagh* Gardens in November. The gardens were immediately transformed into a fairyland of light, a unique sight for the people of Lahore at that time.

Asking His Honour to perform the ceremony Lala Harkishen Lal said : " In view of the keen interest that Your Honour always shows in the industrial movements of the province and more especially as shown in this particular scheme, the Directors feel sure that it will give Your Honour real pleasure to perform the ceremony and for that reason they decided to ask you to join us today in

the inauguration of this venture. With the co-operation of Government, the Municipality and the leading citizens of Lahore, the Directors hope that the company will do well, and, in time, pay a good dividend to its shareholders. It may please them to know that the cost of construction has been much under the estimate."

Sir Louis Dane in declaring the scheme open said:

"In the address, which you have just heard, a full account has been given of how the Lahore Electric Supply Company Limited has been formed. The motto of the Punjab University is *Ex Orient Lux*, which means Light from the East. In the present instance the people of Lahore are acting up to that motto. The scheme for lighting Lahore by electricity has been practically hawked about in every possible market to find someone sufficiently public spirited to take it up. It was, however, an enterprise to be carried through by the Indian people themselves, and I am glad to think that when European concerns had declined to have anything to do with it, and when even the Municipality had decided against it, that the man was not wanting in Lahore to take up the scheme and carry it through successfully. It is mainly owing to the initiative of Mr. Harkishen Lal that the scheme had been so successfully initiated. The scheme was backed originally by the Peoples Bank, these caused some doubts, but when my legal advisers had satisfied their extremely scrupulous consciences, I was only

too pleased to sanction the Bank's application." The new company, the Governor added, had been very lucky to secure for their plant engines of the very latest pattern from Government, while the Government was equally fortunate in being able to dispose of that plant for such a useful purpose. It was, he considered, an instance of that co-operation they heard so much of in the Punjab. Without desiring to give away any secrets, he might tell them that it was only the day before that the licence was granted to the Company which, in anticipation of sanction, a phrase which many of them knew only too well, had pushed on their preparations. They had done so realising that the Government was only too anxious to assist them as soon as all legal difficulties were settled. The scheme had received aid from all classes and creeds, and it was exceedingly satisfactory to know that when such a project was in question—and one touching the public interest—all could join to further it. As a result, he was glad to think that one of the schemes he had set before him had come to be carried to a successful conclusion. Always it had been his earnest desire to promote industry and the development of sources of power. That scheme, of course, was only a comparatively small one, but it was significant to think that it was one, which had been carried through *from start to finish by Indian enterprise*, and it reflected the greatest credit on Lala Harkishen Lal. His Honour went on to say that the scheme would not only supply them with light but with power. It would be making possible the

introduction of electric fans into their houses which would be a boon to Indian women, some of whom perforce had to spend the hot weather under very unfavourable conditions. He finally congratulated the people of Lahore on carrying out the enterprise and hoped that before many years were passed they might see one of the great Punjab rivers harnessed up to supply 80,000 or 1.00,000 h.p. which would assist in making Lahore and Amritsar, two of the main cities of the province, far greater industrial centres even than they were at present.

The Chairman and the Directors of the Company were afterwards "At Home" to prominent citizens in the gardens.

In the following month, Lala Harkishen Lal came to preside over the All-India Industrial Conference, the then most important adjunct of the Indian National Congress. The Sessions of these two bodies were held at Bankipore. The Chairmanship of the Conference was the All-India recognition of Lala Harkishen Lal as "India's Napolean of Finance", an appellation by which he was now generally and affectionately known.

CHAPTER III

Rebel

It is almost impossible to achieve success and public approbation without arousing animosity, jealousy and opposition. Lala Harkishen Lal's career had now, for the time being, reached its meridian. His rapid rise to fame, influence and fortune was not welcome in all quarters. It was noted that he rode with the Lieutenant-Governor on the same elephant to open the Exhibition, he drove about in a vehicle, called a " motor-car", (for a long time the one of only two of their kind in Lahore), while, several rivals used either bicycles, *tongas* or *phætons*. Lala had also a *phæton*, but it was drawn by four horses instead of two ; he sometimes used a camel carriage, which resembled the one used by the Lieutenant-Governor to attend the races. In some quarters, therefere, it was considered time to bring Lala Harkishen Lal's importance down to mundane level.

There began murmurings about the banks. Now it is easier by far to wreck a bank than an insurance company. The former has to pay out on demand, or on an agreed date. An insurance company pays out on death, or when it has received in premiums a larger sum than it has stipulated to pay. The only practical mode of wrecking an established insurance

company is to persuade its policy-holders in a body to commit suicide. And even then, the company might escape, by a wily anti-suicide clause within the terms of its policies. But a well-established bank may find itself hard pressed by reason of a false rumour about its investments, or the integrity of its management. Indian banks are more prone to such destructive tendencies by reason of their investments being, partly or largely, in securities not easily convertible to cash.

As the banks promoted by Lala Harkishen Lal were more or less pioneers in the field of Indian Banking in the province, they had to evolve their own lines and policy of investment. Foreign exchange was entirely in the hands of European banks. Investments in purely Government securities would not yield enough to make the business of the bank sufficiently remunerative, considering the rate, of interest payable to depositors. Moreover, a great deal of the value of an indigenous bank lay in the support that it could afford to Indian commercial and industrial enterprises, as European banks made no investments against landed or house property, which was the most readily available security in the case of the Indian community. They were also loathe to encourage Indian industrial enterprises. The share and stock business was. at the time, unknown in the province, and not until, twenty years later when, Lala Harkishen Lal brought the Lahore Stock Exchange into being, did the people of the Punjab have any

conspicuous dealings in shares, stocks, debenture, and bonds. Promotion and development of industry required capital plus long-term credit to factories and joint stock companies. Whether loans were against block, or cash credit against stock, in substance, the loans were long-term industrial loans.

The investments of the Peoples and Amritsar Banks, (and to a large extent of the Punjab National Bank and other Indian banks) were thus non-liquid assets. It could not be said that their investments were frozen, but certainly they were not fluid in the banking sense. Their cash resources. realisable on demand, though higher than the ratio suggested in the text-books, were insufficient generally to meet any determined rush, for any length of time.

In 1913, there were signs that Lala Harkishen Lal was in troubled waters. A patty had sprung into being, determined to bring about the downfall of Indian banks generally, and particularly the Peoples and one or two other important banks. In the Punjab, a newspaper, entitled the *Arya Patrika* appeared to have been promoted with the set purpose of creating a panic among the clientele of the banks in which Lala Harkishen Lal was interested. The *Arya Patrika* was run by a group of prominent members of the Hindu community. It is unnecessary to mention the names, as some of them are living, and others had, in later years, realised, the folly of their efforts and co-operated with Lala Harkishen Lal in his later ventures.

Along with the advent of the *Arya Pdtrika* the term of Sir Louis Dane, the friend and admirer of Lala Harkishen Lal, came to an end. Sir Louis Dane was succeeded by one entirely different in his complexion and outlook, Sir Michael O'Dwyer. The Lieutenant-Governor belonged to that school of civilians, now happily virtually extinct, who believed that the mission of the white man is the exploitation of the limitless resources of India, the suppression of *swadeshi* and the furtherance of the economic and political domination of Britain over India (if necessary by the use of force).

The administration of the Punjab now became one of very narrow outlook. The social relations between the people and those in authority became strained and superficial. Ever since the deportation of Lala Lajpat Rai, the suspicions between the official and the non-official classes had not been rampant, in spite of the conciliatory policy of Sir Louis Dane, The Punjab, on the whole, had been less articulate than other parts of India in regard to common grievances, but, in spite of this general backwardness, the authorities looked with considerable disfavour on any attempt at articulation of national and economic grievances. When Sir Michael O'Dwyer took his place at the helm of the Punjab administration, men, who had been connected in some form or another with popular agitation ; were marked out as the enemies of the British Raj. It was an unhappy circumstance (not only in the Punjab) that there had grown up a class of natives

of the soil who lived and prospered by echoing the pre-conceived notions of officialdom. (This class has not yet died out). There was a dead wall between the two classes. After the deportation of Lala Lajpat Rai to Mandalay, Lala Harkishen Lal had done much in bringing about reconciliation between the authorities and the people. He was then appointed to the Local Legislative Council by Sir Denzil Ibbetson, then Lieutenant-Governor, and did his best in improving social relationship between the two classes. But in the words of Sir Gordon Walker, who officiated twice as Lieutenant-Governor of the province, Lala Harkishen Lal remained " the greatest and the truest *swadeshi* in the country ".

It was not long after the arrival of Sir Michael O'Dwyer that the Punjab Government appeared to see in the exit of Lala Harkishen Lal, from the active arena of political and commercial activity, the removal of the most powerful Indian in the province, and according to official lights, the most dangerous. Whether the Lieutenant-Governor, directly or indirectly, or others, reading his mind, and eager to please him, started a campaign of vilification of Lala Harkishen Lal and his enterprises, is not known. It will never be known fully. It is always difficult to trace such matters, especially when high officials are involved, who may express their wishes in a multitude of ways, without reducing anything of importance to black or white.

But the effect was inevitable. Lala Harkishen Lal's concerns were very naturally deeply in obliga-

tion to the banks. The storm had been gathering for some months. In September, the Peoples Bank of India suspended payment. Foreign banks and the official bank (the Bank of Bengal) refused to come to its rescue, even against Government securities. Indian banks were themselves not sure of their position in the threatened crisis. Within a few days, the Amritsar Bank followed suit, and, like a roof given way, came the crash of other Indian banks, not only in the Punjab, but in Bombay and elsewhere. Even Lala Mulk Raj Bhalla, considered to be a small but careful banker, had to close the Punjab Co-operative Bank. The Chairman of the Specie Bank in Bombay was so taken aback by the crisis that he committed suicide.

On the night when the Peoples Bank closed its doors, glasses clinked and wine flowed merrily in the Simla United Service Club in celebration of the downfall of Punjab Swadeshism.

[2]

Largely attended meetings of shareholders and creditors of the bank were held, at which Lala Harkishen Lal spoke. The meetings were desirous that the banks, which had suspended business, as a result of factors largely beyond the banks' control, should be reconstructed. On an application by a recalcitrant creditor (one can always be found) the bank was ordered to be wound up officially. Mr. E. E. Meugens of Meugens and Company, Auditors of Calcutta, was appointed as official Liquidator,

Messrs. Meugens and Company, who were represented in Lahore by Mr. E. D. Dignasse, remained liquidators for about three years, when they were superseded by an order of the Court, and Mr. S. B. Billimoria (now Sir Shahpurji Billimoria) of Messrs. Billimoria and Company took their place.

The story of the years '13—'19 is one of a series of strenuous battles in the courts, most of which Lala Harkishen Lal lost. But both Liquidators were determined to realise the maximum possible, and found that it was the wisest course to work out the liquidation in co-operation with Lala Harkishen Lal. The Commercial Judge of the Chief Court (Broadway, J.) did not appear, however, to be favourably disposed to Lala Harkishen Lal. Sir Michael O'Dwyer was definitely hostile. Some concerns had to go into winding up, but the general policy of both the Liquidators prevailed, namely to keep Lala Harkishen Lal in business, so that the maximum possible, might be realised for the Banks. Lala Harkishen Lal continued his business, therefore, subject to the control of the Liquidators. On his part, the Lala seemed anxious to get the liquidations over as speedily as possible and to resume normal business. He, therefore, co-operated with the Liquidators.

But the long voyage was not by any means a smooth passage. There were periods of great doubt and depression. The agony of these years will be found well expressed in the following extracts from

his diary :

"Night passes with little sleep, but not much worry. It seems what is fated must come : must expose itself. Started with a resolution taken at Tours in 1882—suffered consequences from 1912—1919 and not ended. *Mazlum* for good work."

"Resolution for the distribution of P.C.P. shares as passed by the meeting of the 4th has been refused and the shares of the P.C.P, are to be sold. The Official Liquidator has been distinctly told by Broadway that these shares have not to go to Harkishen Lal at the auction—and if he be the last bidder, this will not be accepted."**

"According to Mulk Raj, people have sympathies and are wondering at my paying 25 lacs in time : some newspapers have also written to this effect : *Akhbar-i-Am,: Desh : Himalaya*: but the *Tribune* has not noticed it at all or Fazl-i-Hussain's deputation : Fazl-i-Hussain is also left out on my account : in certain other quarters also there is some disappointment."

"S—is at Billimoria to squeeze me : Billimoria plays his cards and cares for nothing."

"Lalu Bhai (Samaldas) is anxious to obtain control and profits. G. L. and Company ditto."

" Govan is planning in which Duncan Strutton Company seems to have a share or voice : Patiala

**Harkishen Lal, nevertheless, bought these shares.

is quiet : insolvency is not coming : but dethronement is very keenly canvassed."

[3]

An opportunity to disclose the truth about the failure of the Peoples and other banks was afforded, when the Indian Industrial Commission visited Punjab in the winter of '17. The Commission was presided over by Sir Thomas Holland, then President of the Institute of Mining Engineers (later a member of Lord Reading's Cabinet) and included Mr. Alfred Chatterton of the Mysore Department of Commerce ; Sir Fazal Bhoy Karim Bhoy Ibrahim ; the Hon'ble Pt. Madan Mohan Malaviya ; Sir R. N. Mookerjee, senior partner of Martin and Company, Calcutta ; Sir Horace Plunkett ; Sir F. H. Stewart, President of the Bengal Chamber of Commerce ; and Sir Dorab Jee Tata of Messrs. Tata Sons, Bombay. The Committee co-opted the Hon'ble Mr. J. H. Maynard (later Lala Harkishen Lal's colleague in the first Punjab Reform Cabinet). The evidence tendered by Lala Harkishen Lal was sensational :

Sir F. H. Stewart : "Would you enumerate to us some of the principal industrial enterprises with which you are connected in this province ?"

"Ginning, spinning, weaving, flour-milling, glass-making, match-making, metal, brick-making, oil-pressing, and timber. I think these are the chief ones."

"In what capacity usually ? "

"Usually as a director or managing director or partner or proprietor."

"Did you find yourself able to devote the necessary time, knowlege and attention to so many different interests?"

"In some cases I was not personally looking after the concerns and in some other cases I was personally looking after the things. Whether I looked after the things personally or not, I could find time to supervise."

"You speak of the wickedness of some Indians and Europeans?

"Yes."

"What do you mean by that?"

"I mean a conspiracy set up with the determined object of destroying the banking of the Punjab, in which officials and non-officials joined, and made every possible effort, and took every possible measure to destroy banking which would have really done immense good to the province and outside."

Hon'ble Sir R. N. Mookerjee. "Would you use the word 'conspiracy'?"

"Yes."

Sir F. H. Stewart. "On the part of officials and non-officials?"

"Yes."

"That is stronger than what you say in the next sentence, 'want of sympathy on the part of the authorities, and the spirit of competition of Anglo-Indian banks'. Do you mean more than the ordinary competition for business which naturally exists?"

"Yes. A great deal more."

"What do you maintain was the object of those people? You say they desired to destroy banking industry in the Punjab?"

"They would know their object themselves, but I could say that they did not want Indian banking to flourish, and very likely they thought that left to itself it would prove a formidable opponent or competitor to their business. And I have a shrewd suspicion that there had been some effort made that banking in India should be the monopoly of a certain class of people, and as that monopoly was likely to be broken by the efforts made by Punjabees in banking eterprise they naturally thought of and took whatever steps they could to destroy it."

Sir D. J. Tata: "Who were the directors of the banks, and how were they selected?"

"They were mostly selected at the beginning from people who had done no banking."

"Did it lead to ideal management?"

"Yes, because they took pains and studied and they were cautious."

" Who nominated them ?"

" They were the promoters to begin with. They started the things on patriotic grounds. The first bank that we started now exists as the Punjab National Bank. That was started purely on patriotic grounds and by people who did not care merely for money. They wanted to start banking and do banking and they did it."

" I asked the last witness why he did not send his son to England. Is that not the type of man that should be sent on scholarships ?"

" Father or son ?"

" Son ?"

" I say the father now, and then perhaps the son later. I am a business man and my son wants to be a poet."

" Keep him on short rations and under restraint. You say that he should go over there to study the methods of production, the efficiency of the organisations, etc. You know there is a general complaint that the people who are sent out to foreign countries do not get opportunities ?"

" That is no doubt the complaint; they do not get the facilities, but efforts should be made in this direction also."

" Is there no remedy ?"

" You must provide the remedies,"

" A little lower down you say, 'A College of Commerce will also be needed to train accountants, auditors, agents and afford opportunities to directors and proprietors to study the business side of their undertakings'. Do you propose that proprietors of busieness should go to the College of Commerce and study there ?"

" I am now thinking of the son and not of the father ; the son who is not going to be a poet."

Hon'ble Mr. H. J. Maynard: "Is there not a certain amount of conflict of interest between the employer and the employee, and is it not one of his duties to protect the work-people ?"

" In my factories that question has never arisen. A conflict between the work-people and the employer has not arisen yet in my experience of about twenty years in this province."

" You have referred to a conspiracy: do you mean Government officials ?"

" Quite so. I also know that an application was made by an European to an Anglo-Indian bank for loan and he was first asked to state that this loan would not benefit any Indian in any form or shape or any existing bank in any form or shape ; and he was told that if he assured them of that the loan would be negotiated, otherwise not. Such things came to our notice very frequently in those days."

Hon'ble Sir. R. N. Mookerjee : " Are you prepared to givc any names ?"

" Yes, and not only that, but my informant is present at this gathering."

Hon'ble Mr. H. J. Maynard : " I understand you really to say that these banks which were managed by business men were actuated by a sort of racial passion ?"

" That is my impression and I have not hesitated to express it in these terms."

" You think it was a matter personal to you ?"

" That is No. 1 ; No. 2 is that a theory was started that these banks were finding funds for sedition ; and this came to me from a gentleman who came to make enquiries from me and who is supposed to be in the C. I. D. He is an Indian, titled and a very favoured man."

" You think that there was a special feeling against yourself on the ground that you were too powerful ?"

" Yes, against myself, as well as against banking, and that one ground was given to me by a man who came to make enquiries whether these banks were not fomenting sedition and finding funds for sedition. Hardly had our career as joint stock bankers started when some European officials and non-officials took an adverse attitude."

" Could you be more specific ?"

" If you want the names I do not mind giving them, even in public."

President: "You are giving your evidence publicly and you are bringing grave charges and you are a lawyer ?"

"Yes."

Hon'ble Mr. H. J. Maynard: "You would naturally not wish to mention names. I have asked you whether there was anything specific ?"

"The specific thing was that when I first broached the idea of an insurance company—that was the first insurance company in India—the attitude taken by official Europeans and by some commercial Europeans in the Punjab was hostile. One official especially discounted me and wrote that I was hardly out of my teens, and that I was the leader of a gang of robbers. That remark very likely still exists in the official records. That was in 1896 before I had any opportunity of robbing anybody."

"I suppose the management of this insurance company is another about which it is quite possible to have a great many criticism, is it not? It is quite possible, I mean in perfectly good faith ?"

"In perfectly good faith there may be criticisms, but it would be bad faith to call a man. who wants to start an insurance company, a leader of a gang of robbers ; and the remark in question was made before this company had existed three months."

The Report of the Commission was published in

1918. The following reference to the failure of Indian banks in the year 1913 was significant.

"Of the seven European banks that existed in India in 1863, all but one have failed. That one is the Allahbad Bank. About 1875, five new banks were established. Of these only one, *viz.* the Alliance Bank of Simla, Limited,* the Punjab Banking Company having been amalgamated with it, survives. Amongst those that failed was the Himalya Bank, Limited which stopped payment in 1891. Besides these joint stock banks, the big banking firm of Sir George Arbuthnot failed in 1907. The Bank of Burma was established in 1904. It failed in 1911. When it failed it had a working capital of one crore nineteen lakhs. It was found that one-third of the working capital had been advanced to a firm in which the directors were interested. Last of came failure of the Bank of Upper India, Indians were not responsible for the management of any of these banks. They were all managed by Europeans.

"The history of Indian banks for which Indians were responsible is neither so long nor so eventful. It goes back only to the year 1881, in which year the Oudh Commercial Bank was founded. It was followed by some other small banks. The Punjab National Bank was established in 1894. Both these banks have carried on their business without interruption. The Peoples Bank of India was founded

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***This Bank also closed down in 1923.**

in 1901. When it closed its doors in 1913, it had nearly a hundred branches in various places, mostly in Upper India. The other ill-fated institution, the Amritsar Bank, was started in 1904. It failed in 1913. With the year 1905—the year of the partition of Bengal—began an era of new *swadeshi* (indigenous) activities in India and from 1906 there began to be established banks large and small all over the country. These totalled 476 in 1910. The most important of these were the Bank of India and the Indian Specie Bank, started in 1906, the Bengal National Bank and the Indian Bank of Madras in 1907, the Bombay Merchant Bank and the Credit Bank of India in 1909, the Kathiawar and Ahmadabad Banking Corporation in 1910, and the Central of India in 1911. Of the eleven important banks, started since 1901 six collapsed during 1913-14. But taking large banks and small, in all about two dozen Indian banks failed. Though the failure of even one ban k is a matter for regret, two dozen out of 476 cannot be said to be a very large number.

" There is no doubt that in some of the banks that failed there was fraudulent manipulation of accounts, that, in others, large sums of money were advanced to enterprises in which some of the directors were interested. There were also mistakes of policy, as for instance, in the financing of long-term business with short-term deposits, and the sinking of far too great a proportion of these funds in a single industry. But that the failures were due

more to these causes than to dishonesty and fraud is attested by the fact that the number of criminal prosecutions in connection with these failures has been conspicuously small.

" Regarding the failures in the Punjab, Pandit Balak Ram Pandya, Auditor of Accounts, Lahore, said in his written evidence submitted to us :

" Indeed, when we compare the recent bank and industrial failures in the Punjab with similar incidents in other countries, we are astonished at the comparatively small proportion of cases in which the failures in our case were due to dishonesty or selfishness. The price we have paid for our inexperience is undoubtedly heavy, but it is by no means heavier than what other countries have paid before us. If we have only learnt the lesson which the disasters of the last four years so impressly teach, there is surely no room for despondency '."

[4]

The dictum that misfortunes do not come alone was no mere truism. Lala Harkishen Lal found that the conspiracies against him were keen and widespread. Among the most important was one to oust him from the chairmanship of the Lahore Electric Supply Company. This he thwarted by arriving uninvited to a secret meeting of the directors. thundering as if it was a major bombardment on the Western Front, and taking the seat of the chairman by the use of a heavy stick. Lala Harkishen Lal was a

man of small stature, but, when in a temper, a fiery tongue and an almost terrifying appearance made up for any deficiency in height. Nobody disputed the chairmanship of any company with him thereafter.

Lala Harkishen Lal's domestic affairs also assumed an unhappy outlook. A little girl born in '15 died in the summer of the following year. The result of this tragedy was a blow from which her mother never recovered. Baiji fell ill and after a long and painful illness of two years, in which she was confined to bed, died in November '18, during the influenza epidemic, which came as a merciful end.

In spite of his difficulties with the Punjab authorities, the Maharajas of Patiala and Nabha, among others, still believed in the integrity of Lala Harkishen Lal. Though these two princes were at loggerheads, they had both a profound admiration for Lala Harkishen Lal's qualities. The Maharaja of Nabha, during these years of difficulty, appointed Lala Harkishen Lal as the Financial Adviser of his State at handsome remuneration.

In December 1917 Lala Harkishen Lal's three elder children sat for and passed the Senior Cambridge Examination. As in the midst of his financial complications, Lala Harkishen Lal was not in a position to support a son at an English University, K. L. was offered assistance by his uncle Mullick Girdhari Lal, who was now in prosperous circumstances. Mullick Girdhari Lal agreed to pay the expenses of

K.L.'s education at Cambridge. There were two obstacles, however, in the way: Lala Harkishen Lal's opposition to the scheme and the opposition of the Punjab Government to granting a passport to any member of the Harkishen Lal family.

Towards the closing stages of the War the British Cabinet invited a party of journalists from India to visit the Western Front. One of the invitees was the late Maulvi Mahbub Alam, Editor and Proprietor of the well-known vernacular journal *Paisa Akhbar*. K. L. ran away from home as the Maulvi's clerk. Lala Harkishen Lal followed his son to Bombay, caught him on board a troopship about to sail. On the intervention of the party of Eidtors, Lala Harkishen Lal was persuaded to allow his son to go. *If he had taken him home, this story may have been different.*

[5]

If there was one person in the Punjab, who believed that the banks in liquidation would pay a dividend of sixteen annas in the rupee, it was Lala Harkishen Lal. He was determined to take advantage of adversity. He bought deposits of his bank at any price he could get them; he looked out for properties on which he could make money and he found one in Bhupendra Flour Mills at Bhatinda. As these mills had been losing money, he was enabled to buy out all the shareholders at a favourable price. The mills, when they came into his hands, commenced almost immediately to give handsome

returns. The Patiala State advanced him 9 lakhs upon the security of the mills, which enabled him to meet some larger demands. Generally speaking, he husbanded his resources, and, with the helpful co-operation of his wife, cut down his expenses. It was not long before he was actually profiting out of his difficulties. When the banks went into liquidation, his liabilities exceeded his assets; then came the time when he was worth a lakh or two. Eventually, he appeared to be worth ten or fifteen lakhs. And when a man can show by figures that he is worth so considerable a sum, this becomes an accepted fact. Lala Harkishen Lal was once again a '*rais*' (on paper).

It was now 1919. The struggle against adversity had lasted six years. According to the numerologists and astrologers, whom L. Harkishen Lal freely consulted, fortune turned in cycles of seven years. The better years to come, were now in sight. Lala Harkishen Lal already had schemes on the anvil and there were hopes that these would mature successfully.

[6]

Sir Michael O'Dwyer's memorable career in the Punjab was also drawing to a close. O'Dwyer had come to the Punjab, (according to the version in "*India as I Knew It*"), having learnt from the lips of Lord Harding that there was a lot of inflammatory matter lying about. If this was correct, it is a matter of surprise why Lord Harding should have, of all the people available, sent Sir Michael to the

Punjab. If this was so would it not have been wiser to send a person, who could allay rather than himself ignite the "inflammable substances"? At this time a large part of the world, and not less the length and breadth of India, was agitated with an armageddon. During these times, the difficulties of administration were no doubt increased, but in a sense, all provincial administrations suffered more or less equally in the matter. How did it come about that in the Punjab alone things appeared to be going hopelessly wrong?

Apart from the efforts, directly or indirectly, against Lala Harkishen Lal and *swadeshi* enterprise the Government of the day appeared to believe that loyalty and affection for the British Empire was best promoted by methods of frightfulness. Sir Michael himself regarded the province was a hotbed of sedition, conspiracy and rebellion. He imagined that the Muslims were in conspiracy against the Government. He equally believed that the Hindus and the Sikhs also conspired the downfall of the Empire. In these conspiracies, according to him the "Red Crescent Society of Turkey", a pan-Islamist body, and "Hindu revolutionaries of the Hindu-Mohammadan *entete*", members of the Arya Samaj, and the Bar Associations, played a prominent part. Wherever there was the Arya Samaj, he saw in it a centure of seditious propaganda. Bhai Parma Nand was regarded as the link between the "Hindu intelligentsia" and "Sikhs of the Gadar party". He

was obsessed with the phantom of conspiracy and rebellion. When three hundred Sikh immigrants from Canada landed from the *Kama Gata Maru*, and wanted to go to Calcutta, he described the incident as a "march on the City of Calcutta".

Sir Michael spared no efforts to suppress what he considered as crime. Apparently he did not realise that crime arises not merely, and in all cases, from sheer mischief or evil motive. The cause often goes down deeper—economic condition or suppression of legitimate rights. His remedy for crime, as he himself tells us in "*India as I Knew It*", was sterner laws, greater convictions, more hangings, less lenient judges, more police, less successful appeals and fewer commutations. Thus "the first serious problem was the alarming increase in violent crime. The tendency of the courts—90 per cent. Indian—was to take too technical and narrow a view of the evidence, which led to the acquittal or discharge of thousands of criminals". The remedy was brought about by "the strengthening of the prosecuting agency, and the bringing home to the magistrates and judges that they had a duty to the community as well as to the accused". In less prevaricating phraseology, this was nothing more or less than the encouragement of illegal convictions and sentences. He went further and persuaded the Chief Courts to assist him, and, apparently, it responded, by "setting a notable example in regard to passing adequate sentences, by generally inflicting the death penalty in murder cases which came before them". Thus

executions rose from 60 in 1912 to the average of 150 in the years 1914—1916 and it was the Lieutenant-Governor's pride that "in nearly every case there was a petition to me. In six years I had to deal with more than 700 cases of capital punishment. The cases gave little trouble—I doubt if I interfered in more than 5 per cent." As to the conspiracy cases it was his regret that " of the 38 sentenced to death *only* 20 were hanged ".

Then came the War. Punjab indeed made a splendid effort, which is writ for all time in the annals of self-sacrifice, resource and courage. But the recruiting campaigns were marked by certain excesses of the most disgusting and hair-raising character. It may be that Sir Michæl O'Dwyer, as Lieutenant-Governor, did not suggest these departures from law and civilised methods, but, was he, as head of the administration totally unaware of what was happening, and could he be absolved as head of the province at least of moral responsibility? The *O'Dwyer* vs. *Nair* case brought out, on judicial record, instances of unspeakable horrors, of cœrcion and barbarity perpetrated in the name and for the cause of the administration. In a judgment of this period, history cannot overlook the duty which the head of the province owed to the people in his charge as well as to the Empire, of bringing to book the miscreants who resorted to practices that marred his rule. The years 1915—18 will stand out in the chronicles, as a period in which the Punjab villager had no security from the marauding bands of

conscriptors, when women and men were tortured by methods that freeze the blood, when homes were broken up and youngmen carried off from the conjugal beds, when the poor had to part with their savings and the old and aged were subjected to privations, indignation and insult. It may be that all this was done without the sanction or approval of the head of the province. But as head of the province, did he not know? If did he not, why not, and if he did know, why did he not in an unmistakeable manner show that he would not tolerate his rule to be disgraced by such excesses?

The New Year (1919) which was to prove fateful both to India and to Lala Harkishen Lal, opened for the latter at Delhi, where the Congress was held. About this, we find a record in his diary:

> "Delhi was very active in Xmas week. Congress was free, but new-comers were beyond control. Malaviya was all courtesy, but above imposing any will of his own (if he had any); the 'yesterdays' fell out of the market altogether. Mrs. Besant and Mr. Jinnah were not listened to; C. R. Das had to follow rather than lead. Vijyarajavachariar was active outside, but did not speak or attempt any active movement within. Subha Rao and C. P. Ramaswamy Iyer, etc., were dumb founded. Duni Chand and Barkat Ali and their kinsmen were fairly actiue—Lala Lajpat Rai was their ideal —while Narang wanted to squeeze in. I kept

quiet and watched. I was coldly received by Sastri, ignored by Mrs. Besant; indifferently treated by Malaviya and looked upon with jealousy by the Punjab new ambition. I found my name (however) on the deputation committee. How and why is differently explained by Dharam Chand, Dharam Das Suri, R. B. Dutt and others."

The last reference is to the deputation which the Congress decided to send to England, in connection with the impending Montagu-Chelmsford constitutional proposals. On this deputation, Lala Harkishen Lal had found a place. The appointment, however, was apparently not acceptable to Sir Michael O'Dwyer, and later events made it impossible for Lala Harkishen Lal to attend. "I have reason to believe," said Lala Harkishen Lal to the Commissioners enquiring into the Punjab disorders, "that Sir Michael O'Dwyer apprehended an exposure at my hands of his cruel and un-British administration of the province generally, and in particular his policy with reference to the recruitment to the army, the raising of the War Loan and the suppression of the public press".

Lala Harkishen Lal, while in the amidst of the whirl of financial complications, had not taken any real share in the political life of Punjab for some time. His appointment as a member of the Congress deputation was, no doubt, therefore, something of a surprise to the Punjab authorities. Though there were others more active in public life, the province evidently

could not do without the assistance of Lala Harkishen Lal.

The people of the Punjab now turned to him for guidance in the storm that was fast gathering.

A 'Bill to Amend the Criminal Law', generally known as the Rowlatt Bill, had been passed by the Imperial Legislative Council in the teeth of the opposition of the Indian Members. The Hon'ble Mr. Srinavasa Sastri had warned the Government that the "heart" was "throbbing", the agitation was real, and if the bill went through, "I do not believe there is any one here who would be doing his duty, if he did not join the agitation".

The Rowlatt Bill, originally proposed as a permanent measure but later modified in Select Committee for three years, was intended "to make provision to supplement the ordinary criminal law" and to legalise the exercise of "emergency powers by Government". It was to be applicable to the whole of British India. The first part of the Act enabled the Governor-General-in-Council, if satisfied that in any part of British India anarchical or revolutionary movements were being promoted or any of the scheduled offences were prevalent, to declare to that effect. In such circumstances the Act would come into force, and a special tribunal would replace the ordinary courts. The procedure before this tribunal would be speedy; the usual forms of procedure in criminal trials need not be followed; there would be no commitment, and

various provisions of the Evidence Act would be deemed abrogated. The right of appeal or application for revision was expressly barred. The 'scheduled offences' referred to included such indefinite crimes as sedition and promoting enmity between classes.

With the solitary exception of Sir Sankaran Nair, who was then a member of Lord Chelmsford's Cabinet, and could not vote otherwise without resigning, every Indian member voted for postponement and therefore against the Bill. The division list, after 48 years, reads like a scroll of honour : Sir Gangadhar Chitnavis, Babu S. N. Bannerjee, Raja of Mahmudabad, Dr. Tej Bahadur Sapru, Pandit M. M. Malaviya, Mr. Srinavasa Sastri, Mr. (late Sir) B. N, Sarma, Khan Bahadur Mir Asad Ali Khan, Mr. V. J. Patel, Mr. M. A. Jinnah, Sir Fazulbhoy Currimbhoy. Rai Sita Nath Ray Bahadur, Raja Sir Rampal Singh, Rai Krishna Sahai Bahadur, Raja of Kanika, Mr. Mazur-ul-Haq, K. B. Mian Mohammed Shafi, Khan Zulfiquar Ali Khan, Mr. E. S. Khaparde, Rai B. D. Shukul, Mr. K. K. Chanda and Mr. Maung Bah Too.

In Lahore there were several meetings to protest against the Bill. On February 4, there was a well-attended meeting under the chairmanship of Mr. Manohar Lal (the present Minister of Finance). The passing of the Bill was the signal for more vociferous protest. The next large concourse was on March 9, presided over by Mian Fazl-i-Hussain. On March 18, the Rowlatt Act became law. Before the Bill received the Viceroy's assent,

Mahatma Gandhi annouced that the second Sunday following the assent should be observed as a day of national humiliation.

A political conference of the province was convened for the 18th and 19th April at Jullundur and Lala Harkishen Lal was chosen President.

While politically, Lala Harkishen Lal's importance appeared to be unimpaired, his other troubles showed as yet no complete signs of abatement. On the contrary, according to diary of the time, " the situation had materially altered adversely ".

" While yesterday I got an offer of Presidentship of the Provincial Conference at Jullundur, I was twice refused an interview with Billimoria. The news also came that Petman Brothers were going to work out big schemes of criminal litigation against me. B. Bevan Petman has been engaged from Simla for the purpose ". To add to this "Tollinton (H. P.) is giving place to Kitchen, reported to be my deadly enemy. Ellis (T.P.) has replaced Gracey, the good, as Legal Remembrancer".

These facts had no doubt a depressing effect, though, outwardly, many could not discover the anxiety within.

" Feel exceedingly upset in nerves, stomach, heart and brain. Wish many a time for liberation. Very rarely can one take a cheerful view of the

situation: now the opponents' programme looks most ominous and effective as judiciary (Broadway) is guiding the whole machinery and doing his utmost to finish me. He has been using Billimoria, who seems an easier instrument than Dignasse was."

But the fates had their own solution to these problems—a much simpler one. When in March Lala Harkishen Lal recorded in his diary that " Rai Bahadur Hari Chand, Dinanath (Desh), Mulkraj and Prabhu Dyal, all say that my future will be greater than the past", he could not have been aware of the new vortex, to which he was gravitating, a vortex in which he would experience the strangest incidents of an eventful life, and eventually find himself again in a land of plenty and honour.

[7]

The *Hartal* called for March 30 was postponed by Mahatma Gandhi to a date in April. On April 2, the Senior Superintendent of Police, Lahore, issued a notice under section 30 of the Police Act prohibiting processions without licence. On April 6, there was a complete *Hartal* in the city. The relations between Hindus, Muslims and Sikhs had never been more cordial. On the same day, a mammoth meeting was held at Bradlaugh Hall, where Mian Fazl-i-Hussain and others gave expression to the popular feelings. The incidents of the agitation thus far went off without marked consequences.

On the 10th, however, the news of Mahatma Gandhi's arrest, and, later, the news of the deportation of Doctors Kitchlew and Satyapal from Amritsar convinced the people that the authorities intended to repress the agitation with force. A spontaneous procession formed and walked up the Lahore Mall, towards the Lawrence Gardens to protest to the Lieutenant-Governor, who was that afternoon receiving an address from representatives of the "Martial Classes". The police lost their heads and the processionists their lives. Those who were not shot were arrested. The hospitals dealt with some of the wounded, but it was more discrete to die at home.

Lahore then closed down of its own accord, Every Hindu, Mislim and Sikh, who had a shop, locked, barred and bolted it.

The efforts of the leaders and the authorities were to get the shops re-opened. Nobody was in a mood to listen. Lala Harkishen Lal, Lala Duni Chand and many others issued appeals, but their efforts were in vain. Sir Mohammed Shafi and Raja Narindra Nath made gallant efforts to intercede between the authorities and the people. They received small appreciation, however, in any quarter, Their proposals included the withdrawal of the military from the city, the giving over of the dead and wounded to the relatives, and releasing all the persons arrested on furnishing adequate bail bonds, There was a meeting at Lala Duni Chand's house at

which Sir Mohammed Shafi stated that he had exhausted all his arts of persuasion and diplomacy. Here Lala Harkishen Lal twitted Nawab Fateh Ali Khan Qizalbash on a letter written by the Nawab to the *Civil and Military Gazette* in support of the Rowlatt Act. This conduct of his was later held to be an insult to the well-wishers of Government.

Nothing came of the Shafi-Narindranath efforts, The O'Dwyer administration was in no mood " to parley with revolution ": it was determined to teach the people an effective lesson. In Bengal, Sir Michael would have been shot, and the province would have, after one or two executions, subsided to a peaceful situation. Punjab, however, preferred to follow Mahatma Gandhi literally.

On the morning of April 14, 1919, Lala Harkishen Lal made the following entry in his diary :

"Lahore has been in a curious ferment for the last four days. Gandhi was arrested at Palwal on the 10th : Kitchlew and Satyapal were deported on the same day Lahore observed *Hartal*—Hindus, Mohammedans and Sikhs (Christians are not in evidence). There have been one or two police firings on the first day and again on Saturday. The people of Lahore are all in very good humour, holding together, helping each other, doing no harm, but without any realisable end in view, and without any definite programme.

They all hang about Duni Chand who is all popularity, indefinite in the extreme, and in some respects confused, but clevey in humouring the people. He is also clever, not listening to any body else.

" My efforts have been :—

" 1. Manifesto on Friday, drafted, signed, but given up as time passed and younger counsels prevailed.

" 2. Appointment of a committee in Shahi Masjid, which held meetings, the whole of Saturday and half Sunday, where I prevailed and a resolution was arrived at that shops be opened at once. All in the room were agreed, but only a few could be made to follow that view, especially as Duni Chand broke out and told the people to 'wait'. He is the hero, and hence the thing failed and will fail.

" 3. Shafi, Raja Narindra Nath are trying their best according to their lights, but both parties are inattentive to them.

" 4. Government is obdurate, foolish in the extreme and bent on showing its strength.

" 5. News from Amritsar, Ahmedabad, Kasur etc., is very disquieting—harming of Government property and going against the life of Europeans. Where will this end? No one can prophesy.

"6. At this early hour of the morning, it seems to me, that Government will pass several 'martial' measures to-day, but situation in Lahore would best be dealt by Duni Chand alone. *It seems I must keep away for a time at any rate to-day.*"

As may be expected there is a long gap to follow. It was many months before Lala Harkishen Lal could write a diary again.

Lala Harkishen Lal's apprehensions were well founded. He was wanted by the authorities. He went to the house of Dr. (now Sir) Gokal Chand Narang and told him that he had arranged to collect about fifty leading merchants at the Town Hall, and from there they would go into the city to ask people to open their shops. While they were talking, a letter was received by Dr. Gokal Chand Narang that the Deputy Commissioner wanted to see him on business at the Telegraph Office at 10. Lala Harkishen Lal had already received his letter. Dr. Gokal Chand Narang and the Lala went together to the Government Telegraph Office, Lala Duni Chand and Pandit Rambhaj Datt were already there. The Deputy Commissioner took the four leaders into a separate room, where the order of deportation was read out to Lala Harkishen Lal, Lala Duni Chand and Pandit Rambhaj Datt. Dr. Gokal Chand was detained for an hour in an inner room locked from the outside. Lala Harkishen Lal and others were taken away in cars

to the railway station where they were placed in special trains and deported to different destinations.

The *Hartal* continued.

Then Martial Law was proclaimed, whereby the military took charge. As the memory of that time is still fresh in many minds, it is unnecessary for the purposes of this sketch to detail at any length the agony of Punjab in the weeks that followed.

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Lala Harkishen Lal was taken to Isakhel in the Mianwali District, where he was interned.

By the end of the month, the so-called disturbances had subsided, thanks to use of machine-gun, armoured car and bomb. Sir Michael had shown the province what the British Army could do; now had come the time for him to show what British Justice implied. Dr. Gokal Chand Narang, Mr. Manohar Lal and others were arrested, and so were Lala Harkishen Lal and the deportees. Various charges were alleged against the accused. They were all brought to Lahore and lodged in the Central Jail. In the words of Dr. Gokal Chand Narang :

> "In the jail I was locked up in a solitary cell in block 14, which is reserved for convicts sentenced to death or transportation for life and so were two other barristers (Mr. Manohar Lal and Sardar Habibullah Khan)

who were arrested the same evening. Mr. Harkishen Lal was sent also to No. 14 on May 7 after he was brought down from Isakhel. The cell was twelve by eight and served for bedroom, dining-room, sitting-room and also as a privy, besides accommodating an army of mosquitoes. We passed twenty-six days in these cells, when the temperature in the shade ranged between 110 and 118. Mr. Manohar Lal spent a few days in the *chakkies.*

Those who know the Central Jail know what that means.

When Martial Law was declared, commissions were authorized to try all offences, under the Bengal Regulations committed on or after the promulgation of Ordinance No. 1 of 1919, that is to say offences committed after April 15, 1919. As Lala Harkishen Lal and his companions were deported on April 14, one day before the promulgation of Martial Law, obviously, it would not be regular to try them by the Martial Law Tribunals. To get over this difficulty, at the instance of Sir Michael O'Dwyer, the Government of India promulgated one of the most amazing enactments in British Legal History, Ordinance No. IV, whereby powers were conferred on the Martial Law Tribunals, in respect of offences committed *before* the introduction of Martial Law.

There was well-founded opinion that Ordinance No. IV was *ultra vires* of the Governor-General. A

similar enactment[1] would be *ultra vires* even of King or Parliament, but, as Sir Michael O'Dwyer had ample artillery, ammunition and underlings of his own type to enforce the official point of view, the argument remained theoretical.

Lala Harkishen Lal, Lala Duni Chand, Pandit Rambhaj Datt, Dr. Gokal Chand Narang, Sardar Habibullah Khan, Syed Mohsin Shah, Advocate, and others were arraigned before a tribunal consisting of Mr. Justice Leslie Jones (President), Mr. Harrison and K. B. Sheikh Din Mohammad, a member of the Provincial Civil Service. The last named gentleman was selected to give colour to the impartiality of the tribunal. Mr. Manohar Lal was released without trial.

The accused were charged under various sections of the Penal Code—120B, 121, 121A, 124A/109, 143, 147 for conspiracies, waging war against His Majesty, conspiracy to wage war, sedition, unlawful assembly and circulating of rumours which are false and which are likely to cause fear, hence alarm.

The charges against Lala Harkishen Lal included " conspiracy to wage war against the King, the abetment of the waging of war, sedition and abetment of sedition ". It was alleged that at Lahore on the 6th and 11th April, 1919 he was member of an unlawful assembly in the promotion of a common object at which sedition was uttered and false reports published to the alarm of the public. The object of the conspiracy was, stated to be " to

obtain the repeal of the Rowlatt Act by illegal and corrupt means ". It was urged against Lala Harkishen Lal that he was a convener of the meeting held in the Bradlaugh Hall on April 6 and that he was present in the tumultous meeting in the Badshahi Mosque on April 11, when he was appointed a member of the "Popular Revolutionary Committee" and subscribed Rs. 1,000 to the funds for maintaining the "general strike". He was also a member of the New Revolutionary Committee", appointed at the Mosque on April 12.

There were several Martial Law Tribunals dealing with those, who, according to the authorities, were responsible for the disturbances in various parts of the province. In Amritsar, Broadway J. presided over a trial in which the accused included Drs. Kitchlew and Satyapal, Mahasha Rattan Chand (who eventually served 17 years' imprisonment), At Gujranwala a third tribunal meted out similar justice. One of the accused was Sheikh Din Mohammed, a local practitioner, who fortunately was acquitted. He to-day adorns the Lahore High Court as " Mr. Justice " of that name.

The various trials were known as " Conspiracy Cases ", Owing to the importance of the accused, the Lahore Conspiracy Case, naturally focussed most attention, more so, as it included Lala Harkishen Lal and others of the first-rate importance in the political life of the province of that time. Mian Fazl-i-Hussain escaped the humiliation of jail and trial, by a clever

exit to Simla when there was no doubt about the intentions of the Lahore authorities.

The trial was farcical. The results were a foregone conclusion. Throughout, Lala Harkishen Lal wore an air of indifference. He caused no end of annoyance to the presiding judges by appearing in court in a night-suit and slippers, and snoring during the proceedings. His astrologer had told him that if the trial concluded before O'Dwyer's time was up as Lieutenant-Governor he and his friends would hang, otherwise he would get off. In either eventuality, Lala Harkishen Lal considered the best way to pass the time was sleep. His friends, however, looked upon the astrological forecasts as a sound indication that they should fight for time. The effort was not in vain. None of the accused went to the gallows and three Martial Law prisoners lived to be Ministers of the Punjab Government.

The burden of the cost of the defence fell on Lala Harkishen Lal, who among other expenses paid for the long and expensive telegrams and cables that went to the Viceroy, the Secretary of State and the Prime Minister. The telegrams and cables alone cost around Rs. 10,000.

The accused were told that they would not be allowed counsel from outside. Leading counsel of the province were either cited as witnesses for the prosecution or were unwilling to take up the defence. The accused appealed to the Governor-General. For a time the authorities turned a deaf ear to these

requests, but later Syed Hassan Imam of the Patna Bar was allowed to come and argue the cases. The request for a trial outside Punjab, however, was not acceded to.

Petitions on behalf of Lala Harkishen Lal and his co-accused were taken to Simla by Pandit K. Santanam, then one of the most promising junior advocates of the Chief Court Bar. Though he had no success in Simla he attracted the attention of the C.I.D. thereafter. According to a contemporary view of the proceedings (in the words of Mr. Santanam) "the accused were practically undefended. The Government succeeded in its object of securing speedy convictions without much opposition. The order prohibiting counsel from outside entering the Martial Law area was meant only to prevent only the truth of the atrocities being committed here from becoming known to the outside world and to obviate the possibility of any agitation being set up against the monstrous injustice being perpetrated under the colour of judicial procedure. Not content with setting up the difficulties in the way of an efficient defence being put up the Tribunals went further and did things which no court, either civil or military, with any pretensions to deal justice of even a rudimentary character, would dare do. The Ordinance of the Viceroy empowered the convening authority to convene a court with the powers of a Summary General Court Martial, wherever it might be necessary in the interest of public safety. But all the trials conducted by all the four Martial Law

Tribunals were invariably under the powers of a Summary General Court Martial or as it is otherwise called a drumhead Court Martial. I might explain that these Court Martials are intended for the armies on the actual field of battle, where the niceties of legal procedure cannot be observed in the interest of military expediency. The counsel engaged in the cases were treated with scant courtesy, and were made to feel that they were thereby on mere sufferance. The most reasonable requests were most insolently refused and sometimes they were even actually insulted.

"No record of proceedings were allowed to be taken on behalf of the accused, except short notes by the counsel himself. There was actually an order to this effect by the convening authority, which I herewith attack.

"The record taken down by the court was an extremely unfair one, as the evidence in chief for the prosecution was taken down verbatim, but the answers in cross-examination were not taken down for the most part, especially those which were in some way favourable to the accused, in spite of repeated requests by the counsel for the accused."

The trial began on May 17 and ended in the first week of July. Judgment was pronounced a few days later.

Dr. Gokal Chand, Syed Moshin Shah and some others were acquitted. Lala Harkishen Lal, Lala

Duni Chand and Pandit Rambhaj Datt were found guilty. In the words of the Commissioners, who convicted Lala Harkishen Lal under sections 121 and 121A, I.P.C., "ater weighing all the evidence, we are of opinion that the prosecution has established that there was an active conspiracy in Lahore to bring about the repeal of the Rowlatt Act by criminal means by waging war against the King and in furtherance thereof war was waged from 11th April onwards". In dealing with individual cases, the Commission expressed the opinion that Lala Harkishen Lal, despite the statement of Sir Zulfikar Ali Khan, was an active politician, and was one of the conveners of the meeting of April 6. He was in the full confidence of Rambhaj Datt and Duni Chand, and, acting in close co-operation with them, was present at both meetings in the Badshahi Mosque. His general attitude was shown by his unprovoked attack on Nawab Fateh Ali Khan.

Pandit Rambhaj Datt was described as the "Chief Spokesman" of the conspiracy, who, as early as February 4 made a seditious speech. On April 6, he preached *hartal* and the need of undergoing suffering. On April 10, at Lohari Gate, he invited the mob to the Badshahi Mosque, and on the following day he made a violent inflammatory speech. inciting the people to stand firm and be shot. He was, throughout, one of the moving spirits in the conspiracy.

Lala Duni Chand was considered as the "Chief Organiser", as distinguished from the "Chief

Spokesman" of the conspiracy. "His influence in the city was infinitely greater than that of any of his companions. He attended the meeting at the Badshahi Mosque on April 11 and took a leading part in the appointment of a committee to continue the *hartal* and in raising of subscriptions for *lungar-khana*, and was a most active member of the conspiracy."

"If there was any exfuse for these three," the judgment stated, "it could only lie in the encouragement, directly or indirectly, which they received from Delhi and Bombay."

The judgment próceeded :

"These men knew and none better that the state of rebellion was largely due to their own efforts and that Lahore was one of the principal centres from which disaffection and open defiance of Government were spreading through the Punjab. The mere fact that owing to the rapid assumption of military control no serious damage was done in Lahore itself is, to our mind, quite immaterial. The results of their efforts were not confined to Lahore. and if in order to overawe Government into the repeal of the Act, they did what lay in their power to produce further excitement and outrage, they must take the consequences."

[9]

Jeevan Lal, at the age sixteen, wrote remarkably well, his letters vividly expressing the emotions of those momentous days. Writing to his brother in

England, he said of the trial :

" I have some very important and serious news to tell you. Father is at present undergoing trial for waging war, conspiracy, riot, sedition, unlawful assembly and other sections of the Indian Penal Code. That he is perfectly innocent, no one has the slightest doubt, but as you are aware, there are interested parties (I need not name them) who have to be taken into account. The prosecution evidence has closed, and so far, legally, there is not a scrap of evidence against him, but again, as you are aware, the evidence has not been their sole foundation. Outside counsel like Mr. Eardley Norton, Sir Chimanlal Setalvad, the Hon'ble Pandit Motilal Nehru, the Hon'ble Dr, Tej Bahadur Sapru, the Hon'ble Mr. M. A. Jinnah, and Messrs. Hasan Imam and Chakravarti all whom we invited, have been refused permission to enter the Martial Law area. The Hon'ble Pandit Motilal Nehru is helping us a great deal—he has already cabled to the King, Lloyd-George, Montagu and Lord Sinha, and has also instructed solicitors (Messrs. Barrow' Rogers and Nevell) to move the Privy Council. The members of the English Bar of Calcutta and the members of the Association of High Court Vakils of Allahabad have protested against these unprecedented

and high-handed orders. The Viceroy has refused to interfere, and Sir Sankaran Nair, so our information goes, is tendering his resignation on this very point. We might be mistaken, but there must be some reason, why the *Civil and Military Gazette* is keeping silent as regards his resignation. We are so awfully in the dark as to the official version as to this ; no appreciation, no criticism not even a comment or note has so far appeared to explain his action. I wonder who the next member of the Executive Council is going to be, Speculation is rife and rumour is about that Shafi has tried........

"Can't you see Sastri. Patel, Surendra Nath Bannerjee, Kelkar, Kunzru and others of the deputations, and lay before them the whole facts of the case, so that they might help us and others. See if they can urge for the appointment of a Royal Commission of Enquiry. This is more important to my mind than ten whole Reform Schemes put together. I have every hope that a commission will be appointed—it will help to clear the whole case : we will know the Government's standpoint and the Government ours.

"Please spend the money, which I have sent to-day, most economically. You might not get another pie, so says father, if things take a change for the worse.

"Now Good-bye. God alone knows what is in store for us, but I trust all will be for the good."

On the 2nd July he wrote :

"I feel inclined to be poetical, yet for the life of me I cannot write any d———d poetry or any humbug of the sort. The day has been cloudy since morning it has been raining at times, the sun has only twice shown itself during the course of the day. Once in the early morning only to be hidden again for the rest of the day and again just before twilight, like fate approaching. Our hearts are heavy, we long for the morning, now that it is night, the vigilance is at times too dreadful to be borne, but.... but...... hope sustains us. 'Will it be cloudy or sunny in the morning?' we ask ourselves. Can it ever be sunny after such a day that has just passed and the night that is to pass. Whatever it is—it will be welcome—truly welcome after a long watch. If it is sunny—well and good—if not...if it is cloudy—well we will go to our task with a light heart and lighter shoulders and a clean table before us on which we can write anything we like responsible only to God. Enough of the d——d humbug—aint—it ?

"All arguments have been concluded and the judgment is a matter of a day or so—the last

phase of a tragic drama is yet to come. Syed Hasan Imam argued very brilliantly on our behalf and his defence was worth listening to, when he approached the question of Passive Resistance. He then soared into high altitudes; it reminded one more of the political platform than a barrister pleading the cause of an unfortunate prisoner at the bar. It recalled the proceedings of a special session of the Indian National Congress, It did one's heart good to hear him speak—a rare sight to see a man speak out his mind—a sight for the gods. There is absolutely no doubt that he quashed the whole case, but, as you are aware, this case is not going to be decided on its legal aspects, but with regard to the court's policy. The Public Prosecutor made a very able reply, but his was one of special pleading.

"Mr. Hasan Imam, who was accompanied by Mrs. and Miss Hasan Imam, stayed in Lahore just over 11 days. They left last Thursday after Mr. Hasan Imam had concluded arguments in the Amritsar Conspiracy Case, They were a goodly company and their stay here quite cheered us up. They (the ladies I mean) were of course not in a *purdah*. We were quite sorry when they left.

"At present the Hon'ble Pandits Madan Mohan Malaviya and Motilal Lal Nehru are staying

with us. They present a great contrast to each other. Swami Shardha Nand is a frequent visitor. All good men, fine men of the world and an ascetic present a varied picture. They (Motilal and Malaviya) are members of a non-official committee of enquiry on a preliminary visit to the Punjab. Can you imagine the work the *C. I. D.* have to do. By God—excuse this expression—it is reminiscent of the *Scarlet Pimpernel*—about half a dozen of them are always on the watch, three or four are perpetually outside our gates Poor folk, I do hope they will get some increments for the honourable task of squatting the whole day outside respectable people's houses. I have sometimes the mind to call them in and ask them to have a chat over a glass of cooling drink. It will be delightful company but I have my doubts as to whether they would accept. I do hope sincerely they will."

Jeevan Lal's letters discretely omitted to mention his own activities. He was expelled from the Government College for organising the student protest to the Martial Law regime.

When news of convictions was published, in London, the Indian delegates to the Joint Select Committee were horrified. Mr. Srinavasa Sastri, the *doyen* of the Indian Contingent, exclaimed : "This is monstrous ; it cannot be maintained."

Mr. Sastri lost no time in seeing Mr. Montagu' then Secretary of State for India, about Lala Harkishen Lal. He then had the ear of the India Office as no other man had. Sir Sankaran Nair also arrived about this time with grave news of the high-handedness of the Punjab Government. He brought a secret despatch from Lala Harkishen Lal and his fellow prisoners addressed to the Secretary of State, which had been handed over to him at Bombay. He had himself resigned from the Council of the Governor-General over the Punjab issue.

Even the London Press was horrified. The *Nation* and *Daily News* wrote a number of articles in scathing terms. In a leading article, the *News* referring to the "Blindness in India", observed:

> "Special Commissions, created under Martial Law, have been trying men accused of responsibility for the rioting and outrages at Lahore, Amritsar and other cities, and week after week they have been imposing sentences of a severity hitherto, we believe, unknown in British India. The last batch is of a sensational character. Three prominent citizens of Lahore are sentenced to transportation for life and the confiscation of all their property. In the Amritsar case one doctor has been sentenced to death and others to transportation for life. We note, in particular, the life sentence with confiscation imposed upon Mr. Harkishen Lal, who

has been for many years a highly respected public man in Lahore. He is a graduate of Cambridge University and a member of the English Bar......From the Military Court that has sentenced Mr. Harkishen Lal there is no appeal in law. But there must be an appeal in equity. A few weeks ago Rabindranath Tagore, the most eminent of India's intellectual leaders, informed the Viceroy that the executive repression in the Punjab has stirred the whole of India to indignation and shame. That is the truth without overstatement."

The *Nation* commented in the following terms :

"The gravity with which we are confronted is not in the constitutional position. It is in the deplorale bcrisis into which the administration has been precipitated by months of infatuated rigour in the executive......

"Throughout the country a movement of protest (*i.e.*, against the Rowlatt Act) was organised, and multitudes of people especially in the larger cities kept April 6 as a day of fasting and humiliation. In Bombay the good sense of the Governor had its reward in a speedy cessation of unrest. In the Punjab, on the contrary, the extraordinary rule of the retiring Lieutenant-Governor

Sir Michael O'Dwyer has plunged the province into panic and hate. Machine-guns and military aeroplanes were used to disperse mobs, whose only weapons were sticks and stones. In Lahore, the military authorities with almost incredible folly, caused men of mature age to be publicly flogged in the open market place. The first and imperative thing to do is to stop the folly of the Executive in Upper India ..And while changing, instantly and generously, the spirit the of Executive, we have to open the task of transforming the Montagu Bill. As it stands it does not provide a practicable bais for the structure of responsible government to which India must come. It goes to the Joint Committee vitiated by one fatal defect. Its scheme of dual government is an expedient which must in the end be self-defeating."

An Englishman, who had met Lala Harkishen Lal, contributed an elaborate appreciation to a London paper :

"To people acquianted with the Indian Administration and its crude methods, ordinary miscarriages of justice, isolated cases of tyranny, and a lofty scorn of the claims of native Indians to a hearing, are sufficiently numerous to excite no more than a passing comment. And such comments,

as would be made by the Anglo-Indian community—except one or two so-called 'cranks',—would be commendation for the official concerned for having been firm with these 'damned niggers' and having brought them 'to heel'.

"The case of Harkishen Lal is on a different plane. In striking at him the Government have singled out the one man they most dreaded. Why should they dread him? He was a man of high attainments; in him was no shadow of guile nor trace of fear, he was neither to be frightened by threats, nor cajoled by Viceregal condescension. Throughout his life he has stood for Right against Might (an old-fashioned and out-of-date formula, but one that will have to be brought to light and reburnished, if reformers are in earnest). He has laboured incessantly to raise the standard of living in the labouring classes, and his factories and model workmen's dwellings at Shahdara testify.

"The journey across the Sind desert is not one to be looked back upon with joy. I prefer to forget the heat and discomfort of most of those I have made across that dreary waste. But there is one such journey, which I look back upon with pleasure. The train left Lahore, late in

the evening, and as I got in I noticed that the compartment next to mine was occupied by a native gentleman. We didn't speak—I had almost said 'of course'—but the next morning, after breakfast at Multan I saw that he had a copy of the previous evening's *Civil and Military*, which I had not been able to get, and my request for a look at it opened up a conversation.

"I had no intention of thrusting myself upon this gentleman's society; I had no particular desire that he should do the like to me. I thought that with the exchange of a few commonplace civilities, our talk would end, and that I should then go back to my compartment, and while away the hot day by desultory reading and as much sleep as I could get. In this, I was mistaken, for the conversation then begun lasted through the day, and only came to an end on our arrival at Hyderabad at midnight, where I left the train, while he went on to Karachi. And I remember thinking as I drove from the station to the Dak Bungalow, how much more profitable my journey had been, than had my companions been ordinary Anglo-Indians and our talk the usual *gup* of Indian clubs and messes.

"What struck me most was his moderation, (This I may say is, so far as my experience

goes, the characteristic of most Indian reformers) in all he said—and I agreed with almost all—of the maladministration of India, of the lack of knowledge of Indian aspirations by the ordinary official, and on the lack of sympathy when he has the knowledge. There was no exaggeration, no rhetoric, only a calm statement of facts and an appeal to reason.

"In spite of this he had sincere admiration of British instructions, the British Empire, and British characteristics. He judged men and their motives and actions with an astonishing fairness and an inspiring breadth of vision. Himself a *Brahmin*,* he was above and beyond caste prejudices. I remember I lent him the *Testament* I had with me, and pointed out for his reading Chapter XIII of the *First Epistle to the Corinthians*: 'Though I speak with the tongues of men and of angels and have not charity'. He expressed his admiration for the philosophy embodied in that remarkable chapter, and confessed he could recall nothing higher in the holy writings of any religion.

"These are but a few of the impressions I received from him.

***Lala Harkishen Lal belonged to the Gauba 'clan', which in turn is a sub-division of *Kshatriyas*, Actually *Gaubas* are *Aroras* as distinguished from *Khatris*. There is some debate as to which is the superior.**

" And this is he on whom the blow of the Punjab Government has fallen. He has been found guilty of sedition, and has received a sentence that now and hereafter will be denounced by all who hold freedom dear.

" We in out history, have had sedition-mongers and rebels, who paid the penalty of their devotion and courage, some are now our honoured heroes. So it may be with Harkishen Lal. But the prospect of furture approbation and canonisation does not eradicate the sufferings of the present; it does not absolve the Indian Government from the responsibility of the acts committed by them. Nor will it absolve the people of England from responsibility of their acts of omission, if they allow this severe sentence, passed by an *ad hoc* court, upon a man denied ordinary defence, to be carried out."

On August 6 the matter of Lala Harkishen Lal's conviction was discussed in the House of Lords, when Earl Russell raised a debate to call attention to the sentences under Martial Law in India and with special reference to Lala Harkishen Lal. It fell to Lord Sinha (the under-Secretary of State) to reply on behalf of the Government. Apart from narrating the incidents, the noble Lord made no attempt whatever to justify the orders of the Tribunal or their conclusions. As to the sentences,

Lord Sinha informed the House, that the Punjab Government had, in Lala Harkishen Lal's case, totally remitted the forfeiture and commuted the imprisonment to one of two years' rigorous imprisonment. By this time Sir Michael O'Dwyer had gone, and his place had been taken by Sir Edward Maclagan.

Lala Lajpat Rai writing in *Young India* denounced the late regime in the Punjab, and referred to the sufferers as the " Martyrs of Punjab ". Of them, he mentioned the case of Mr. Kali Nath Ray, Editor of the *Tribune*, one of the sanest, alert and most sober journalists in the country, who had been tried and punished by a Martial Law Tribunal for publishing an item of news from a correspondent in Delhi. As to Lala Harkishen Lal, Lala Lajpat Rai said : " Another man, who was first deported, then charged with conspiracy and held without bail and refused the services of lawyers of his own choice from outside the province was Harkishen Lal. For over twenty-five years Harkishen Lal has played a big part in the political and industrial life of the province. He was the first to start and organise purely Indian banks, insurance companies, spinning and weaving mills, etc., in the province by which he incurred the displeasure of the British capitalists, who had exclusively exploited the province till then. He was for two years a member of the Provincial Legislative Council. A short time ago he created a sensation by stating

in his evidence before the Royal Industrial Commission that the wholesale failure of purely Indian banks, financed and managed by the Indians, which took place in 1913, had been facilitated and intensified by the deliberate policy of European officials of the province to the advantage of the British banks operating therein. The scare-mongers who brought about the failure were directly incited, aided, encouraged and put up by Government officials, and later on at every step the Government behaved as if they themselves wanted the Indian banks to fail and disappear ".

[6]

It is well remembered that Lala Harkishen Lal did not serve even the reduced sentence of two years. The new Constitution was passed by Parliament towards the end of 1919. Thereupon Mr. Montagu, who was most anxious that his scheme should be launched amidst the most favourable sentiments, proclaimed an amnesty. Among them, who had the benefit of the King's proclamation, were Lala Harkishen Lal and his companions. They were released, just as the Congress gathered in Amritsar. Here they received a welcome that few before them have had or few after them will ever receive.

Of the months that Lala Harkishen Lal spent in jail, it may be said that the first few weeks of solitary confinement and privation did not continue. He received very generous treatment from the jail authorities, and when, Sir Michael O'Dwyer made an exit, he was enabled to live as near home life as

possible. Among the luxuries allowed to him (unofficially) was a maund of ice daily and several seers of fruit, in which many co-prisoners (Martial Law and others) shared. He transacted his business affairs and settled several matters more satisfactorily from jail, than he could have done from outside. His trial and incarceration softened the hearts of his enemies. Pandit K. Santanam, who before the events of April, was active among those who wanted to take various proceedings against Lala Harkishen Lal in connection with matters arising out of the People's Bank, was now a devoted lieutenant of the Lala, eager in the advocacy of his cause and to unmask the late administration to the world.

One of the tragedies of this period, was the death of Lala Daulat Rai. On hearing of the arrest of Lala Harkishen Lal, he left an ailing wife and, with a complete disregard of his own health, which was anything but satisfactory, came to the rescue of his brother's younger children. The journey from Multan to Lahore was adventurous ; he was arrrested and released at Raiwind, and again arrested by the military at Lahore station. Fortunately for him, his guard slept and he escaped. At Lahore, Lala Daulat Rai along with Bakhshi Tek Chand, who now commanded a lucrative practice at the Bar, and Lala Ganpat Rai arranged the defence in the Lahore Conspiracy Case. He went to Bombay personally with the letter from Lala Harkishen Lal and his companions addressed to the Secretary of State and delivered it to Sir Sankaran Nair. The journey proved too great a strain and he died within a week of his return.



Mrs. Harkishen Lal 2^{ieme}

CHAPTER IV

Minister of State

When Lala Harkishen Lal emerged from the Lahore Central Jail, he found the world at his feet. The worst of the liquidation matters were over; he had paid the impressive figure of thirty-one lacs odd in satisfaction of the balance of his obligations; his property had been restored to him; his incarceration had raised him to a pinnacle of popularity that very few of his contemporaries enjoyed; the reception accorded to him and his fellow Martial Law prisoners at Amritsar, might well have been the envy of the Caesars. Politically there appeared to be no objective too difficult to attain. The presidentship of the Congress—the summit of political ambition—seemed within his grasp, for the hint.

The Congress decided to boycott the Reforms. Many expected that Lala Harkishen Lal would lead the opposition to the New Constitution in the Punjab If Lala Harkishen Lal had chosen to do this, the course of Punjab and perhaps Indian History may mell have been different. But he decided otherwise. No doubt one of the underlying motives was to get his back on those responsible for the Martial Law regime, even at the expense of some popularity. At

Nagpur, Mahatma Ghandhi and Pandit Madan Mohan Malaviya suggested that he should not accept a ministry, if offered, but Lala Harkishen Lal, already, had Mian Fazl-i-Hussain's wire in his pocket to get back to Lahore as speedily as possible. Meanwhile he had been elected to the local Legislature by the Industries constituency (*nem. con.*).

The memories of 1919 were fresh when India learnt, with amazement one morning, that Lala Harkishen Lal had been appointed a Minister in the Punjab.

Mian Fazl-i-Hussain undertook to administer the portfolios of Education, Medical Services and Local Self-Government. Lala Harkishen Lal became Minister of Agriculture, and held in addition the Department of Industry. The other members of the first Punjab Cabinet were Sardar (now Sir) Sundar Singh and Sir John Maynard, who, with the Ministers, constituted a very able and brilliant team.

The appointment of Lala Harkishen Lal, as also that of Mian Fazl-i-Hussain, to the first Punjab Ministry was variously interpreted; by some, as a victory for the statesmanship of the new Governor, Sir E. Maclagan, and, by others, as a victory for the local Congress Committee, as both Ministers were recruited from the Congress ranks.

Lala Harkishen Lal's appoinment resulted, as was expected, in the resignation of some members of the Services, who could not be reconciled to the view

that it was to appoint as Minister, the very person, who had, only recently, been convicted of waging war upon the King ! The British, generally, are a very adaptable race, but the appointment of Lala Harkishen Lal, undoubtedly, placed a breaking strain upon the Services. Of the most important, J. P. Thompson (later Sir John), O'Dwyer's Chief Secretary and right hand, sought a transfer from the Punjab. Mr. Justice Leslie Jones gave up the High Court and went home in disgust.

The tide was now flowing in rapidly. Lala Harkishen Lal soon became the favourite of the Governor, and the confident of Lord Reading. The Government of India frequently sought his advice in matters well outside the ministerial sphere. The Non-co-operation Movement and the suggested Round Table Conference with Mahatma Gandhi were among the matters upon which Lala Harkishen Lal was freely consulted. Sir Tej Bahadur Sapru and Lala Harkishen Lal were mainly responsible for the historic wire to Gandhi, which, however, through a series of mishaps, arrived too late. The consequences that followed are now matters of history.

The reported proceedings of the Punjab Legislative Council show that the discussions did not generally depart from the well-defined channels of moderate debate. There were no scenes, as distinguish the French Chamber, nor the flights of eloquence that sometimes mark the proceedings of the House of Commons. The member of the

Treasury Bench, who most nearly approached Parlias mentary standard, was Mian Fazl-i-Hussain. Sir John Maynard spoke effectively and well in Urdu and so did Lala Harkishen Lal. The Revenue Member Sardar Sunder Singh had a difficult position—departments that did not lend themselves to exciting controversy, and a seat between colleagues, better versed in the dialectic arts. The proceedings mainly concerned Government Bills, which were carried; popular resolutions, which were lost; questions asked and members snubbed. Malik (now Sir) Feroze Khan Noon specialised in points of order; Lala Ganpat Rai in dissecting the budget. Pir Akbar Ali asked questions evidently drafted by a more subtle hand; and Mr. Manohar Lal, sometimes, sat a session through in silence, lest some stray words should spoil a reputation for punctilious grammar! The Sikh members fraternised with Raja Narindra Nath, who led the Opposition; and Professor Gulshan Rai watched the proceedings for the Hindu Community. And thus functioned, for a few years, the first Council under the Montagu Reforms.

Mian Fazl-i-Hussain did a great deal of his work in bed; Lala Harkishen Lal a great deal in the train. Mian Fazl-i-Hussain suffered from asthma, Lala Harkishen Lal from travel-lust. One believed that wires are best pulled from the dining room; the other that most effective work is done on the spot. Mian Fazl-i-Hussain built up a great following, Lala Harkishen Lal saved the province from famine.

The fact that Lala Harkishen Lal had become a Minister did not alter his idiosyncracies. He never answered a telephone, and refused to answer it when called by the Governor. He had a sofa placed in his room in the Secretariate, so that he might have his usual afternoon nap. Nobody dared to disturb him. The Governor took these idiosyncracies with good humour. Both Fazl-i-Hussain and Harkishen Lal were strong men. What power they had they used, what they did not have they created. They brooked no interference from their subordinates : a Secretary of the Punjab Government, who defaulted in carrying out Lala Harkishan Lal's orders, had to leave not only Punjab but the Civil Service.

Lala Harkishen Lal, followed sartorial regulations meticulously, and was able, privately, to afford a more spectacular display than any of his colleagues ; he astonished Lady Reading with the beauty and collection of his links and studs. Occasionally, however, he exhibited a courage in such matters that left officialdom gasping. An incident of this kind occurred at the wedding of the young Raja of Mandi to Princess Amrit Kaur. Kapurthala, ever like Monte Carlo, presented a gay and festive appearance,—footmen in blue, gold-spangled officials, State elephants with gilded *howdahs*, flags and bunting, and guests from all parts of the world. Lala Harkishen Lal, a personal friend of the Maharaja and a Minister of the Punjab Government, was one of the important

invitees. He arrived very late, in a very dusty car. and performed a feat of eccentric courage. Before a crowd of stupefied State officials, big 'wigs' from the Government of India, and a battery of cameras, elephants and cars well laden, he removed his coat and waistcoat, revealing the bluest of shirts, and put on a frock coat, a change which certainly gave him a more ministerial appearance.

[2]

Although each Minister was only responsible for the matters of his own particular departments, and there was no collective responsibility provided for in the Constitution, the New Ministry had the initial advantage that all the Indian Members of the Government were *inter se* close friends, and worked, for a time, in collaboration with one another. Both Education Minister and Revenue Member frequently, on matters of a semi-commercial or financial nature, followed the advice of Lala Harkishen Lal, who was considered to be an expert. On one occasion,—the arrest of Lala Lajpat Rai—Lala Harkishen Lal, Sardar Sunder Singh and Mian Fazl-i-Hussain went in a body to Sir John Maynard, the Finance Member, to protest against the arrest, which they maintained was improper and illegal.

But this collaboration, however, did not continue long. There were many rifts in the lute. To shrewd observers, it soon became obvious that the Punjab was governed not by one Government, but by

at least four different Governments! Communalism and mob irresponsibility now came into their own.

Analysing the events of the period constituting the record of Punjab's political development in the first three years of the New Reforms, certain facts of supreme importance emerge. The Reforms came on the morrow of the terrible *finale* of the O'Dwyer administration. The spirit and temper of the people were hostile to any form of co-operation with a Government that Mahatma Gandhi had dubbed 'Satanic'. Considering its recent conduct in the Punjab, the epithet was far from wrong. The Punjab was particularly sore, for, not only had the events of 1919 come as a rude shock to her traditional loyalty, but the verdict of the House of Lords, and the *Morning Post* Fund to General Dyer had added insult to injury. The province was fortunate in having in Sir E. Maclagan a conciliatory Governor. The situation, however, needed more than mere amiability. Although Maclagan had done wisely in appointing Fazl-i-Hussain and Harkishen Lāl, both of whom had been intimately associated with the Congress movement in the Punjab, he failed, for some reason or another, to check the disruptive forces in the body politic.

The author was once concerned in a motion before the Cambridge Union, which in the course of debate, took a novel turn. The resolution was to the effect that "This House endorses the policy of His Majesty's Government". The debate turned

not upon the merits or demerits of the policy of His Majesty's Government, but whether His Majesty's Government had any policy at all. The motion was rejected by a handsome majority. In 1922, it became an unfortunate question whether there was any real Government in the Punjab.

During the meetings of the Select Committee, on the Government of India Bill, the one topic that dominated all others was whether dyarchy would be workable in practice, or, would it eventually culminate in dealock? Nobody, not even Lionel Curtis its progenitor, believed it could be worked without difficulty; but, few people expected it would be so utter a failure and in so short a time. The Punjab was almost a test case for more than one reason:

(*i*) The Punjab had a fairly intelligent Legislative Council;

(*ii*) Two Congress-men were Ministers; and

(*iii*) The province had a Governor, who appeared inclined to follow a policy of conciliation.

By the summer of '22 the position was briefly:

(1) Hindu-Muslim riots had taken place in Multan and other places. (2) In the *Reserved* half, the more reactionary members of the Services were in the saddle, and the Indian members of Government seemed powerless to stem an open policy of repression.

(3) Almost every public leader of note was imprisoned or had been to jail. (4) Absence of collective responsibility among the members of the Government. The question of the *gurdwaras*, which became prominent about this time, was a forceful example in point. This subject fell within the category of "Religious and Charitable Endowments" and were, therefore, within the *portfolio* of Fazl-i-Hussain: "Police" was held by the Revenue Member, Sundar Singh: while "Law and Order" pertained to the portfolio of the Finance Member Maynard. Harkishen Lal, though not primarily concerned, held strong views on the question, and had the confidence of a certain section of Sikh opinion. Authority was accordingly divided between four members of the Government, while none of the five was actually responsible for the settlement of the question. And thus things went from bad to worse, in spite of the fact, that the Viceroy called the Governor and the entire Punjab Cabinet (October 1922) and admonished them on the deplorable conditions in the province.

Apart from the Akali movement, which caused no end of embarrassment to Government, the communal situation—born, of separate electorates, and winked at, some say 'promoted by' several district magistrates—grew to abnormal proportions. In the summer of 21 Mian Fazl-i-Hussain's position was precarious. The writer well remembers the day, when the balance hung finely in a debate in the Legislative Council. The question widely mooted

that day was whether Mian Fazl-i-Hussain, if defeated, was well enough in health to go back to the precarious calling of a barrister ? But the Mian, when arguments failed, employed a stratagem, which later proved useful on many difficult and important occasions. He called the rural members to his house to talk matters over informally. Here he made the discovery (which has been an accepted fact ever since) that the Punjab Legislature is extraordinarily responsive to the effects of ice-cream. It was the best investment he ever made. Next day, the effect was remarkably evident in the division. Needless to say, the Mian won and never again looked back.

Mian Fazl-i-Hussain was the first Minister in India to realize the uses to which an official bloc could be put. If the official members held the balance between Hindus and Muslims, the Muslims in their turn held a balance between Hindus and Government. Fazl-i-Hussain, therefore, sedulously devoted himself to the cultivation of a position, in which his group would become indispensable to the official bloc. In this subtle strategy, he was eminently successful and attained a predominant voice, not merely in his own department, but also in the departments of his colleagues. If he did not actually shape the entire policy of the Government, he certainly influenced a great part of it.

Mian Fazl-i-Hussain, apart from being a far-sighted man of the world and a diplomat of extraordinary talent, was a genuine and a sincere

Muslim, determined to utilize his power and position for the improvement of his community, which though numerically in the majority was politically backward. There is no doubt, whatever, that between Muslims and members of other communities, he definitely followed a pro-Muslim policy. But it is equally beyond doubt, that where a Muslim question was not involved, he was as much a nationalist as any orthodox Congress-man. Many Hindus in his departments, remember with gratitude the strenuous fight he put up in support of their claims. He very seldom lost a battle. Both Fazl-i-Hussain and Harkishen Lal had the rare capacity of hypnotising persons to their viewpoint. Neither of them were demagogues ; neither of them could claim the personal followings of Lajpat Rai or Mohammad Shafi ; both were subtle in debate, the one carried by intricate argument, the other by an unexpected viewpoint.

The Fazl-i-Hussain policy, sound as it was in principle, was bound to lead to misgivings among the Hindus, who became alarmed as to the eventual consequences of the official-cum-Muslim coalition. Mian Fazl-i-Hussain was regarded as anti-Hindu, not merely by Raja Narindra Nath and his group in the Council, but by the entire Hindu Press, not excluding such balanced journals as the *Tribune*. Professor Gulshan Rai, in a series of articles, furiously attacked the policy of the Minister of Education, much, however, to the latter's delight, as ɥtsi vendetta only served to strengthen his

position in his community and among the rural members, who were the sworn enemies of the so-called Hindu "money-lenders' interests" of the Punjab Legislative Council, Mian Fazl-i-Hussain was also grateful, as he told the writer, to Raja Narindra Nath for a vote of censure, which enabled him to consolidate his following in the Council. Here he pleaded—with considerable force—that he was not the author of communalism in India ; and that it was the British Government that had initiated, propagated, and fostered the policy for more than half-a century. The motion of censure was heavily defeated. Thereafter Mian Fazl-i-Hussain's position became impregnable.

The pro-Muslim policy of Mian Fazl-i-Hussain did not find favour with his Indian colleagues in the Cabinet. Sardar Sundar Singh grumbled ; Lala Harkishen Lal, though far from being a Hindu Sabhaite or a Maha-Sabhaite, could not restrain himself from giving vent to his feelings, in a speech that aroused considerable debate throughout the province.

In presiding over a lecture of Professor Gulshan Rai on the subject of "*Dyarchy*", the Minister of Agriculture addressed himself primarily to an analysis of Cabinet and Ministerial responsibility. The Lala's view was that "Ministers are, and should be, but the instruments of the Legislature". His conclusions were that in India there were neither Ministers responsible to the Legislature, nor were the Legislatures responsible to the people. With all the

authority of a Minister, he declared that Dyarchy was a failure. In his words it had to be "jettisoned", as "it prevents the growth of joint Government and a united Cabinet. A house divided against itself cannot stand". The second part of the speech was equally, if not more, sensational than the first. He denounced the principle underlying communal representation as "unjustifiable and iniquitous".

The speech created consternation in both official and non-official circles. It was clear that the Members of the Punjab Government were at cross purposes. But, as the Lala was known to have very broad views in communal matters, the speech could not be interpreted as a philippic on behalf of the Hindu group in the Council.

[3]

During the aftermath of the Martial Law regime, and long after, Lala Harkishen Lal's house was the mesting ground of important conferences and *pourparlers*. Its ample dimensions provided accommodation to all, who cared to participate in the open-hearted hospitality that awaited them. Up to 1929, Pandit Moti Lal Nehru and Pandit Jawahar Lal Nehru, the Ali Imams and others, made 17, Ferozepore Road their headquarters in the Punjab.

During the Lala's Ministership, brilliant receptions and banquets marked the Lahore and Simla Seasons. When Col. Wedgwood, M. P., and this wife

visited Lahore, the gardens of "Westbourne Lodge" were transformed into a fairyland of lights. Here receptions were held in honour of the Governor Sir E. Maclagan, the members of the Public Service Commission, and others. In Simla too, Lala Harkishen Lal's entertainments were on a lavish scale, and weekly parties were the rule, to which came everybody of any consequence in the Governments of India and the Punjab. When Mahatma Gandhi preached the gospel of hand-spun and hand-woven, Lala Harkishen Lal re-furnished his entire house with hand-spun, hand-women and hand-manufactured—only, instead of coarse *khaddar*, there was silk and gold and ivory. It cost a fortune, but it proved to Lord and Lady Reading, who made more than one visit. that it was possible to accept the Mahatma's philosophy and yet not abjure the good things of life.

Early in '20, before he accepted the Ministry, Lala Harkishen Lal's two younger children went abroad. Sushila went to Girton College, Cambridge. She returned to India in '21 and graduated from the Punjab University. On her return Sushila became the semi-official hostess of the Punjab Ministry, and presided over the banquets given by Lala Harkishen Lal and Mian Fazl-i-Hussain. Jeevan Lal went to the University of Strassbourg and then to Heidelburg and Munich, getting as good a continental education as possible. In 1921, K. L. completed his career at Cambridge graduating with honours in Mathematics

and Law. He was called to the Bar from the Middle Temple in the January '22, and returned to India in July of that year.

Soon after K. L.'s return came the well-known "steel frame" speech of Mr. Lloyd George. Sir Mohammed Shafi, who was then in the Government of India, and Lala Harkishen Lal, jointly arranged a protest deputation to Lord Reading. Sir Mohammed sent his soon Mian Mohammed Rafi (now Secretary of the Legislative Assembly) and his son-in-law, Mian Shah Nawaz (husband of Begum Shah Nawaz), to show his interest in the deputation. Lala Harkishen Lal deputed his son for the same purpose. Lord Reading was unconvincing, almost objectionable. K. L. who was fresh and enthusiastic from Cambridge, confessed to his father that all he could do was to keep himself from walking up and giving the Viceroy a straight to the jaw.

Lala Harkishen Lal allowed his son, with considerable reluctance, to start practice at the Bar, but only with a view to obtaining some legal experience. which would eventually be useful in business, Lala Harkishen Lal considered that his enterprises were now on a permanent footing, and at this time, there was nothing to indicate the contrary.

An event, however, took place in July 1923 that, for a time, upset the equilibrium of the family. The following announcement in the columns of the

Civil and Military Gazette took the province by surprise :

> Mr. Kanhaya Lal Gauba, son of the Hon'ble Mr. Harkishen Lal, Minister of Agriculture, was married on Friday to Miss Husnara Aziz Ahmed, daughter of Mr. Aziz Ahmed, Barrister (until recently, Government Advocate, Punjab).

The marriage was not without Lala Harkishen Lal's knowledge, but it was certainly without his permission. As this was the first marriage of its kind, it created widespread sensation and comment. When matters had not fully matured, Lala Harkishen Lal sought the intervention of Mian Fazl-i-Hussain, who, in spite of some political differences, remained one of his few and close friends. The Mian spared no effort to prevent the union.

Lala Harkishen Lal's main objection to the marriage was that it would sever the family from the Hindu community, and that there might be difficulty in his other children contracting Hindu marriages. There was, of course, no serious danger on these ground ; it was only Lala Harkishen Lal's way of saying 'no'. He usually discovered an argument that was difficult to meet.

When Lala Harkishen Lal heard of the marriage, he burst like a volcano. It took several months for the heat to subside.

The marriage, however, had one good result: it enabled a number of mixed hopes, that had been in the air for some time, to assume a legal shape.

Though Lala Harkishen Lal took a narrow view in the matter of the marriage of his son, he took a broad view in social matters generally. In the very first year as Minister, he gave the proposal to start the *Cosmopolitan Club* his enthusiastic support. He was approached by some lawyers of Fane Road with European wives for the use of his grounds as a club. There were signs, at this time, of an increasing number of persons with wives and daughters, who had outgrown the facilities of the local Purdah Club. Sir Mohammed Shafi was breaking ice in Muslim quarters, by raising the rigours of *purdah* around the members of his family. Lala Harkishen Lal not only placed his house and gardens at the disposal of the Club, but obtained for it a permanent location in the Lawrence Gardens, which hitherto had been the close preserve of the *Lahore Gymkhana* (till then an exclusively European affair). Few of those, who now see the fine premises of the *Cosmopolitan Club* and the goodly concourse of cars and *sarees* (to say nothing of the bridge-fiends!) little remember the debt that Punjab social reform owes to Harkishen Lal and Mohammed Shafi. The wholesome principle of the Club, strictly enforced, is: "You may meet my wife, if I may meet yours".

Among the problems faced by the new Government was the agitation over the Lawrence Statue. It was no *abattoir*, but the statue appeared to offend sensitive minds. The inscription was interpreted as a challenge :

" *Will you be ruled by the pen or the sword ?* "

The controversy was the most amazing of its kind. Its annals form a picturesque passage in the history of Punjab stupidity. The inscription was indeed a challenge. Instead of removing it quietly one night, as they would have done in Ireland, the Congress collected volunteers, appointed directors of operation, and made marshal preparations for a public assault upon the statue. The Municipality was anxious to bow before the storm. In stepped Mian Fazl-i-Hussain. " It belongs," he advised, " not to the cityfathers but to Government." Promptly, a barricade was erected, and bayonets protruded round this precious treasure of pompous hideosity. For months, it was, better guarded than Government House. Round it strolled well known members of the secret service. An armoured car was in readiness to protect it from Pandit Datatariya's battalions. It was saved. Government was grateful. Mian Fazl-i-Hussain got a knighthood.

Gradually, as the memory of the agitation went into oblivion, the vigilance for its safety was relaxed.

Then came along a wag and broke the sword and carried off the pen. Truly Lawrence could not rule without either the one or the other. His position was anomalous, and he was seen to blush. But the artists of the *P.W.D*, were at hand. With true artistic touch and commendable promptitude, Lawrence was restored his insignia of office. But a ruler who loses his pen and has his sword broken was not fit to rule. In Punjab, at this time, there was only one ruler, Sir Malcolm Hailey. Sir Malcolm asserted his authority.

"You will not rule," he said, "I will bury you." And so the Lawrence controversy was buried.

A new epitaph flattered his memory:

"*With pen and sword I served you*".

People left it at that: one cannot argue with the dead.

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Politics in the days when Lala Harkishen Lal and Mian Fazl-i-Hussain were comparative youngsters were very different to the politics in the third decade of the present century. In the old days, one had only to attend a meeting at the Bradlaugh Hall, now and again; moke a speech against the bureaucracy, and a nice in the hall of political fame was assured. Politice ws then an exotic fashion, a recreation from the humdrum of life. But political life of '23 was not quite as simple. The

arm-chair politician had been virtually eliminated (*Muslim League excepted*). Before you could be popularly trusted, you had to be clothed in *khadi*. To the general public your (apparent) simplicity was the measure of your patriotism. If you were a Government man, the powers-that-be were only pleased if you wore a sun *topee* and spats, or a turban that reached the roof. A necessary qualification os the latter class was the capacity to take the snubs of Financial and other Commissioners with complacency. A few years earlier, one could be a statesman with a knowledge of Aristotle and Mill, and politician with much less. But now things were very different. Thanks to Mahatma Gandhi, there was a closer association of mass opinion and practical political issues. For the successful politician, a favourable press had become necessity. No politican could be a success without a paper to support him. His movements should be recorded faithfully: if he caught a cold the world should know about it; and if he gave a dinner party, history would be the richer for a record of the nonentities who attended. Even his utterances in Council should be preserved for posterity's admiration. A politician must know human nature well; his methods should not savour of the crude, he must sedulously cultivate the art of the intrigue, which had become more essential than the arts of oratory. In England constituencies were being won by pretty faces; a good feast in any constituency gave good returns.

Mian Fazl-i-Hussain meticulously cultivated these arts and was soon established as India's most successful politician. To him politics held ont a remarkable vista of authority and outstanding fame.

He was much too broken in health to contemplate, with equanimity, a return to the battle-ground of the legal profession. Either he made of his political career a consricious success, or went into oblivion as an equally conspicuous failure.

Lala Harkishen Lal was troubled with no such doubts. The five thousand rupees a month as salary was no attraction. He often said—and quite truly—that his period of Ministry was a sacrifice. Financially, it cost him several lakhs of rupees. He spent all he got from Government in furnishing his home, as if the remuneration was pocket money. He entertained lavishly. His colleague on the other hand was wise and frugal in this direction. By the time he retired from the Government of India, he had put by a comfortable fortune.

CHAPTER V

Millionaire

One of the predisposing causes of Lala Harkishe Lal's resignation from the Ministry was the Sankaran Nair case. This case, it will be remembered, wan brought in the King's Bench Division by Sir Michael O'Dwyer in regard to an alleged libel contained in Sir Sankaran Nair's book "*Gandhi and Anarchy.*" Most of the evidence was recorded on commission in India before Mr. Rangi Lal, Senior Subordinate Judge (later Mr. Justice Rangi Lal). Sir Sankaran himself attended to the proceedings in India, while Sir Michael was represented by counse (Sir Abdul Qadir). Sir Sankaran Nair had Bakshi Tek Chand and B. R. Puri as senior counsel and Murari Lal Batra, R. C. Soni and K. L. Gauba as juniors.

As the libel arose out of a book against Mahatma Gandhi, no assistance was forthcoming from Congress circles, which somewhat ungraciously overlooked Sir Sankaran's services to the Punjab. As the case was in substance an impeachment of Sir Michael O'Dwyer's career as Lieutenant-Governor, the policy of non-intervention in the proceedings was, from the general point of view, a short-sighted

policy. Sir Sankaran, however, made the best possible effort in the circumstances; and, at great monetary sacrifice, followed his case personally in order to show up the ex-administration in its true colours. Fortunately for him, the patriotic instincts of Bakshi Tek Chand and B. R. Puri enabled him to obtain the wholetime services of eminent counsel at a comparatively nominal fee. It was, generally, agreed upon between Sir Sankaran and his counsel that Lala Harkishen Lal should be examined in person at the trial in London, as that would carry considerable weight with the jury.

The evidence recorded in India was sensational. With the deposition by Lala Harkishen Lal in person, it was hoped—and not without some foundation—that the decree may be in favour of the defendant to the suit.

There was, however, the difficulty that under the constitution a Minister could not take leave, (The law was later amended in regard to Executive Councillors and the Governor). Lala Harkishen Lal offered to resign from the Ministry, if that would help Sir Sankaran in his case, which, Lala Harkishen Lal felt, was not merely a personal dispute, but, was in reality, a calculated effort to procure a judicial finding favourable to the ex-Punjab Administration. The case, on the other hand, afforded an excellent opportunity to the people of the Punjab to expose the

late regime. Lala Harkishen Lal, accordingly, asked the Governor to relieve him of his responsibilities as Minister. At first, Sir Edward Maclagan was loathe to allow Lala Harkishen Lal to resign, as his value in the Ministry had been very much established; but later, when Lala Harkishen Lal seemed determined, he allowed him to go.

From Sir Sankaran Nair's point of view, the main value of the case was publicity of the truth, that was being judicially recorded. From the public point of view, the value of the case was, equally, publicity. For a time, the press gave prominence to the proceedings, but this purpose was later, to some extent, marred by the order of the then Chief Justice, Sir Shadi Lal, who prohibited the publication of the proceedings. The order was of very dubious legal merit, but it had the effect of scaring the press into silence, excepting the *Bande Matram* and, to a certain extent, the *Tribune*. At the instance of Sir Mohammed Shafi, the *Tribune* continued publication of important parts of the proceedings. (Sir Mohammed, himself, gave evidence for the defendant).

In England too, things did not work out very happily for Sir Sankaran. Sir Patrick Hastings, K.C., who was in-charge of the case for the defendant, became Attorney-General in the Labour Government and had to return the brief. As an eleventh-hour substitute, Sir Sankaran fell upon Sir George Lowndes, a very eminent legal authority, but, owing to long absence in India, was

unknown to the original side of the English courts. Sir Sankaran's chanches of success were further married by the open partisanship displayed by Mr. Justice McCardie, quite unbecoming of a judge of the High Court. From the very outset, he shamelessly assumed the role of an edvocate. The jury was mostly hostile, and eventually, Sir Sankaran made the fatal blunder, against the advice of Lala Harkishen Lal and other friends, by agreeing to accept a majority verdict.

Lala Harkishen Lal, who had given up the Ministry, and had left India, at no small expense, for the O'Dwyer-Nair case, and expected to be examined at some length, was asked a few non-essentials and then tendered for cross-examination. The cross-examination was perfunctory. The evidence created no great impression and might have been better tendered before the Commissioner in India.

The rest of the story is well known. Mr. Justice McCardie summed up avowedly in favour of the plaintiff; the jury, by a majority, gave the plaintiff damages and costs; Sir Sankaran Nair lost his appeal, though the McCardie summing up scandalised even such British opinion, as was pro-O'Dwyer. Some quesrions were asked in Parliament, but they could not rectify damage done to the general traditions of British justice. Mr. Justice McCardie later, committed suicide, while General Dyer of Jallianwala infamy died after a

long and painful illness. Not a few people associated their tragic end with the wrongs done to the people of the Punjab.

[2]

Lala Harkishen Lal left for Europe in March 1924, and returned in July of the same year. Before leaving India, he celebrated two weddings— the one of his daughter and the other of his niece. Sushila married Dr. P. N. Seth, an officer in the Public Health Department, and son of Lala Shiv Dayal, retired Inspector of Schools. The wedding was one of the social functions of the year, and was attended by the Governor, Ministers, Executive Councillors, the Chief Justice and Judges of the High Court and men prominent in business and politics. Shobha, daughter of the late Lala Daulat Rai, who had lived with the family since her father's death in 1919, married Chhabil Das, a partner in the firm of the Messrs. Balak Ram Kishen Chand. well-known sugar importers of Calcutta and Karachi. Both marriages were outside the caste circle, and were well received generally.

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Though the trip to Europe was unsuccessful from the O'Dwyer Case point of view and he was also led to invest several thousand pounds in an invention that proved a dud, Lalaji was able generally to combine good business with an excellent holiday. One of the most perplexing problems, at the time, of his business enterprises was

the replacement of the plant of the Lahore Electric Supply Company, which had now become obsolete. The main question was one of funds. The inefficiency of the old plant and the heavy cost of coal during the war and subsequent years had resulted in losses coupled with a general depletion of funds: the position was far from encouraging. The Company issued debentures at 7 per cent., but they aroused little enthusiasm. In London, Lala Harkishen Lal negotiated, unsuccessfully, with several manufactures of electrical plants, whose terms and prices proved unsatisfactory.

In Berlin, however, Lala Harkishen Lal received a pleasant surprise. He found the Germans in a mood to secure his business. There was very little delay, before terms were settled. Siemens agreed to supply machinery and equipment of the value of nearly fifteen lacs, on a monthly payment of rupees twenty thousand. There was no mortgage, and no deposit against the order. This was one of the best bargains which Lala Harkishen Lal ever made; and, from Siemens' point of view, it also proved an excellent piece of business. German engineers put up a fine model power station at Shahdara, which became a first-class advertisement for their workmanship. Though the complete scheme of modernisation eventually cost the Company ;almost double the original estimates, the new plant proved to be satisfactory in every way.

In August of the same year, soon after his return from Europe, Lala Harkishen Lal was examined at great length by the Reforms Enquiry Committee, presided over by Sir Alexandar Muddiman, then Home Member to the Government of India. In the written memorandum submitted to the Committee, the Lala maintained that, so long as communal representation existed, responsible government in the Punjab was impossible. He observed that, under the Montagu Reforms, the powers of the Governor had increased, diarchy was unworkable, the office of a Minister was in fact glory without power, and he was opposed to the Meston settlement. In the interest of the administration, he would remove diarchy and have all Ministers responsible to the Legislature. In the interest of the people at large, however, he would first remove communal representation.

Questioned by Sir Alexandar Muddiman, Lala Harkishen Lal stated that the Punjab Legislative Council was divided into religious groups with an under-current of urban and rural rivalry. His colleague was Miag Fazl-i-Hussain and as the latter had secured the Mohammedan section to his policy, he was more influential than any other single person in the Legislature.

President: "You think parties are run on communal lines and that they are a great obstacle to further advance?"

" That is so."

" How would you combat it ?"

" I would do away with the evil of communal representation."

" Y know the Mohammedans form 55 per cent. of the population of the province, while their representation is less than their population would justify. If there were joint electorates the Mohammedans might come in the Legislature in a larger number than at present. Then also the parties might run on communal lines ? "

" Not exactly in the same proportion. In the Punjab, as Mohammedans are in a majority, they should not claim the privileges of a minority."

" If in a mixed electorate, the Mohammedans come back with a majority ? "

" I do not think that will always happen, but we have been ruled by them in the past." (Laughter).

" Would you like to be ruled by them now ? "

" I do not mind."

In the course of his memorandum, Lala Harkishen Lal complained that there was no single government

or joint cabinet responsibility in the province. As a matter of fact, joint cabinet consultations were few and far between. The President remarked that the Act did not prohibit it. Lala Harkishen Lal replied that, unfortunately, Governors went by the letter of the law, as if joint consultation between Ministers and Executive Councillors was prohibited. He had been told by the Governor that the interpretation of the law was that each Minister would act on his individual responsibility.

Sir Alexander : "You were then divided into water-tight compartments ?"

"Yes."

"Were you in sympathy with the second Minister ?"

"Yes, very much in sympathy with his social life, but I objected strongly to his political views."

"If there had been joint consultation, would you have carried on together ?"

"We would not have flown at each other's throats."

Lala Harkishen Lal also complained strongly against the interference of the Finance Department in the *Transferred* sphere. He said that the working of the Transferred Departments was entirely at the mercy of the Finance Member, the Finance Secretary, and even at the mercy of the clerks in the Finance Department. Sir Alexander asked if there

was any grievanee about the allocation of funds. The witness retorted that on allocation had ever taken place. Sir Alexander observed the real object regarding joint consultation was with regard to funds. Lala Harkishen Lal replied that this was never observed in practice as the Finance Minister had over-ruled him many times. Once he wanted to send an officer to study a certain industry over-seas, but, he was over-ruled by the Finance Department, who thought the scheme was too expensive.

"Would you favour a different policy ?"

"I want a unitary government not a divided house."

The evidence created a deep impression on the Committee, as also on the country at large. Those who were present at the proceedings enjoyed the repartees. Mr. Justice Cecil Fforde, who was one of the spectators to the duel between Sir Alexander Muddiman and Lala Harkishen Lal, congratulated the latter. "I would rather tender you for cross-examination, than cross-examine you myself," observed Mr. Fforde.

The failure of Diarchy had for some time been recognized by Indian public opinion ; Lala Harkishen Lal forcibly expressed this viewpoit to the Muddiman Committee. The main contentions of the Indian standpoint were also borne out to this Committee by Sir John Maynard, colleague of Lala

Harkishen Lal and Mian Fazl-i-Hussain, and Finance Member of the Executive Council of the Punjab. The contention of the Indian witnesses was in the main common,—that there had been unnecessary interference by the Government of India in matters, which, mainly, concerned the provincial government; the powers of Ministers had been considerably curtailed by the intrusion of the Local Finance Department; the Services enjoyed special privileges; any real communal antagonism was not in the masses, but in newspapers; the "Reforms" were responsible for party bitterness; the system of communal electorates and communal representation should be done away with; Diarchy had failed and should be abolished; the people had demonstrated their capacity for full responsible government; there could be no half measure and that it must be full or nothing.

It may be surprising to note that each of these contentions was amply (though indirectly) corroborated by Maynard. As to interference by the Government of India, Sir John admitted there had been differences of opinion between the Government of India and the Punjab Government, upon matter of certain Bills of local importance. (Two of the bills referred to Transferred subjects). Sir John, further, stated that the idea about a Development Loan was not pursued, because it was not favourably viewed in Government of India circles. In general, he admitted that the shoe had "pinched". The Finance Member of the

Punjab Government also admitted that he had regarded it as his duty to advise not merely on the financial aspects of any proposal, but upon its utility as well. The only difference between the version of Lala Harkishen Lal and the version of Sir John Maynard was that while one regarded the interference wrong, the other regarded it right. The fact of the interference was common ground. Sir John Maynard explained that the Services enjoyed no special privileges, particularly pre-audience, but he conceded that there had been all sorts of lapses. Upon the subject of communalism there was agreement between Sir John and the various Ministers, who preceded him. He admitted that the "Reforms" had increased commmunal antagonism, (but he did not explain precisely why); he admitted that the real conflict in the Punjab was not communal, but 'rural *versus* urban'. When charged with running a communal system, he pleaded that the parties were not communal but rural and urban. As to diarchy he summed up the position in the words: "If diarchy had worked, the whole machinery of government would have broken down." In conclusion, he stated that the Punjab had produced 'excellent Ministers', 'excellent Councillors', 'capable and intelligent electorates' who knew their needs and who could be depended upon to support the maintenance of law and order. In his view it must be all or nothing, and that there was no half-way house between diarchy and full responsible government.

[5]

As far back as the summer of 1923, while Lala Harkishen Lal was still a Minister, the idea of reviving the Peoples Bank or starting a new one was mooted. There were meetings for the purpose between Lala Harkishen Lal and Raja Sir Daya Kishen Kaul, who was then Prime Minister of Patiala. But the scheme did not go further than general discussion. When Lala Harkishen Lal left the Ministry, it was widely suggested to him to re-create the Bank. Ever since the banking tragedy of 1913, in regard to which time had now completely vindicated him, there was room in the banking world for Lala Harkishen Lal. The Punjab eagerly looked ahead for the new enterprise. The final dividend and the dissolution of the old bank was in sight. Depositors had also received their money back in full together with part interest. The public were convinced of Lala Harkishen Lal's integrity and ability to run a large banking enterprise. Lala Harkishen Lal, however, was not agreeable to any definite steps until the old bank was entirely out of the way. When this position came into view, before leaving for Europe, he engaged Lala Naunit Rai Sethi, an employee of the old bank, to proceed with the preliminaries of the new institution, during his absence in Europe.

On his return, the line was clear. The old bank was finally dissolved and the road was open for new bank to be inaugurated and to start its

activities, The Peoples Bank of Northetn India was registered in the winter of '24-25 and the 1st *Baisakh* (13th of April, 1925) was fixed for the commencement of business. Meanwhile keen activity by the new Directors and staff contributed to an impressive inauguration of the venture.

It was before a large and distinguished gathering that the Maharaja of Patiala declared open the new Peoples Bank of Northern India, Limited. This ceremony was performed not in the time-worn fashion of opening a silver lock with a silver key. His Highness, rather unconventionally, went to the counter and made the first entries in the Bank's ledgers.

The ceremony as a whole was an inspiring function. The triangular plot facing the Bharat Buildings was covered by two durbar *Shamianas* and the Buildings themselves were gaily decorated with flags and buntings. A distinguished gathering, representatives of various communities, was present to witness the ceremony. His Highness the Maharaja accompanied by his Prime Minister and two A. D. C's was received by the Chairman, Lala Harkishen Lal, and the Directors of the Bank. After His Highness had taken his seat on the gold chair provided for him, Lala Harkishen Lal read an address, which was later presented to His Highness in a handsome silver casket. In the course of an address, punctuated with considerable applause, Lala

Harkishen Lal said :

> "Religion may divide us, politics may create divergent ambitions but economics unite us. We are so welded together and so interdependent economically that our greatest enemy is not the preacher or the politician, but the economic sophist, who tries to establish conflict between employer and employee, hand-worker and brain-worker, producer and consumer, buyer and seller, manufacturer and transporter and others who contribute the various links in the chain of national welfare."

Rai Bahadur Lala Dhanpat Rai, Chairman of the Board of Directors of the Punjab National Bank, welcomed the new Bank on behalf of his Bank and the commercial community. Maulana Zafar Ali Khan, Editor of the *Zamindar*, described the new Bank as an institution calculated to solve the tangle of Hindu-Muslim relationship. His Highness the Maharaja then made a reply congratulating the institution upon possessing among its Directors men important in the business world and having secured the services of that veteran of Indian banking—Lala Harkishen Lal—with the benefits of his vast and varied experience. His Highness was sanguine about the future of the bank started under such auspices, He said that the tie of responsible and enlightened economic interests was a tie that crossed all limits of communal division and territorial separation. Thus in creating an institution of this sort, in which all

communities of the province were to pool their united efforts in an economic evolution, the people of the Punjab could feel sure that they were building the foundation of an edifice, which would be the pride of the country. Later in the evening, Lala Harkishen Lal gave a garden party at his residence in honour of the Maharaja of Patiala, where a distinguished gathering was present.

The beginning augured well. Few institutions started with the flourish and confidence that the new Bank possessed. Before the issue of the prospectus, capital of over 16 lakhs had been subscribed. Within two days of the publication of the prospectus, applications had amounted to 18 lakhs and on the day of opening, the whole issue of 25 lakhs had been subscribed. In deposits too, the public showed equal measure of confidence in Lala Harkishen Lal and those responsible for the venture. The rush to make deposits was so great on the opening day, that the arrangements made to receive them proved totally inadequate.

There were many reasons for this happy beginning. By far the greatest was the need, which was generally felt for a sound banking institution—a purely Indian institution to deal with the ever-expanding needs of internal and external trade. The position, all over Punjab in 1925, in spite of three years of *diarchy*, was very different to the standards of 1910 and 1911. Post-war trade was still brisk, and economic depression had not set in.

Since the failures of '13, indigenous banking had received a set-back. The Punjab National Bank and the Central Bank of India had survived many a giddy crisis, and were rendering yeomen's service to commercial India. But India was as yet an ample field for banking [enterprise and no bank could meet all the requirements of the people. Competition could be a source of anxiety, where the field was limited or overcrowded. Nobody could say this of Indian banking.

Another reason for the popularity of the new Peoples Bank was the support which the venture was receiving from important States of the province. The Maharaja of Patiala had actively associated himself with the venture. His state subscribed over two lakhs of shares and deputed a high official to represent their interests on the Board. The states of Bahawalpur and Kapurthala also subscribed largely to the capital and had their Prime Ministers on the Board of Directors. The third reason for confidence in the Bank was the status of the Directorate. Apart from the States. Punjab Industry and Commerce were also well represented. Raja Sir Daya Kishen Kaul as Vice-Chairman was also interested in match and various other industries. Diwan Bahadur Diwan Kishen Kishore *Dahriwala* was one of the premier *raises* of the Punjab, Capt. Sikandar Hayat Khan was an important director of the Wah Cement Company, Limited, and a partner of the Owen Roberts and Company, which held important military contracts. Rai

Bahadur Sardar Narain Singh, Lala Diwan Chand a well-known philanthropist and contractor of New Delhi, and Rai Bahadur Naranjan Dass, who was an ex-Public Prosecutor, Punjab. Each of these gentlemen were Directors on the Central Board, and had substantial personal stake in the Bank, holding shares of a minimum of one lakh of rupees each. The Bank was promoted without much advertisement and canvassing, and not a pice was paid for the promotion of the Company or commission on the sale of shares, which were heavily subscribed for by the public.

These were some of the circumstances in which the new ship was launched. It entered upon its career with a promise of great success.

The success of the new Bank was not merely a triumph, more or less personal, of Lala Harkishen Lal,' it represented the mood of the times. India had marched many leagues ahead of the time when Lala Harkishen Lal first promoted the Punjab National Bank and dared to start a *Swadeshi* Insurance Company. A goodly distance had been covered in 30 years.

In 1925 amidst days of comparative political stagnation and communal strife, it was difficult to view the efflux of time in its proper prospective. The news-purveyors of the day devoted columns upon columns to the personal irrelevancies of contemporary politicians—the importance of a chill caught by Mr. Baldwin, the diet of Mahatma

Gandhi, the colour-schemes of Lady Irwin, the hours of work of Lala Lajpat Rai, etc., etc.

Politics of the day, however engrossing, were not all in all.

Those who endeavoured to keep above the surging waters of contemporary passion, felt the significance of the common symptoms of the great revolution in thought and culture that India was undergoing. On the one hand there was the cry of Hindus that Hinduism was in danger. Similarly in certain Muslim circles, there was the counter-cry that Islam was in peril. But the causes that were assigned were not half as real or potent as the subtle forces that were undermining the foundations of a social structure that had stood the length of many centuries. Sir Fazl-i-Hussain was wrongly regarded as a peril to the Hindus of India. Greater perils to the Hindu sociology of the day were to be found in the person of Pandit Moti Lal Nehru and Lala Lajpat Rai. Similarly, Sir Ali Imam, Mr. Jinnah and Sir Mohammed Shafi were introducing a new vogue among Muslims. The Hinduism and Islam, that were widely spoken of as being in danger, were the domains for the loaves and fishes of bureaucratic favour and personal gratification. Very few, indeed, gave thought to the substance chasing as they did the shadows.

In one sense, however, the conservative ideal of life, hitherto dominant among the people of this country, was no doubt in peril. But from whom ?

From all those who introduced or followed the new dispositions of modern life and the call of the twentieth century,—railways and tram-cars and those who utilised these facilities. The ancient precepts of caste and custom and the barriers of touchability and untouchability were being broken by the trains that hurtled from one end of the country to the other. Motor-cars were breaking through social exclusiveness and assisting in the abolition of *purdah*. Educational institutions all over the country were upsetting the reverence for the ancestral gods and inculcating the worship of new gods and new moral values.

Sir Ganga Ram's institutions, Lala Harkishen Lal's mills, the Tata organisation, Pochkhanewala's finance were opening new vistas in the economic structure of Indian society. In reality, it was these factors that made Mahatma Gandhi's economic theories appear incomplete. These factors were upsetting religion, social prejudice and setting in motion currents in civic life that could not be stemmed. Whoever switched on an electric light or an electric fan, bought a railway ticket or sent a telegram, assisted in overthrowing the past and confirming a new order. Each of these changes signified and symbolized the changes which immemorial India was undergoing towards materialisation and westernisation.

That this process had affected the economic life of the people was a matter of common observation.

When the new Bank was promoted, Lala Harkishen Lal commanded a unique position in the Indian financial and industrial world. Bombay and Calcutta had possibly larger syndicates than his and individually, richer men. From the point of view of personal wealth, even in the Punjab, there were at least half-a-dozen men richer than Lala Harkishen Lal. But from the point of view of patronage, diversity of interest, command of capital and personal influence over men, there were very few people in the country who could command the position that Lala Harkishen Lal held at this time. He controlled not only an important bank, but in addition a very important insurance company (which, from the point of view of annual business and premium income, was among the first three in India), six or seven flour mills, constituting the biggest combination of mills east of Suez Canal, sugar factories and electric supply companies (rapidly making immense profit), timber, agencies in fire and life assurance, coal, machinery and stores. He was Chairman of more companies than possibly any other man in India. His income was immense; and he controlled resources that possibly equalled the combined resources of half of all the States in Northern India. His mills gave employment to thousands of labourers and others, including highly-paid European managers, and Indian staff drawing well over a thousand rupees per mensem each. His business was sought by exporters and manufacturers of several

countries in Europe, and his views on matters of industrial and commercial importance exercised a profound influence on the people and persons he came in contact with. Several States and Provincial Governments sought his advice in the promotion of industrial and economic schemes. On some of the boards of his companies he had persons, who were either his great personal admirers or dearly beholden to him, as also persons prominent in public life, not only of the Punjab but of other provinces as well. He exercised a personal magnetism that only came to be realised by those who came in contact with him. He failed very seldom to get his way. He was an autocrat, if ever there was one. He was rough and ruthless in handling criticism and opposition. This quality made him many enemies, but it also enabled him to hold authority over men, institutions, and occasions, which for any other person would have been an impossibility. He believed sincerely in the infallibility of his knowledge of men and economics. He had the extraordinary capacity to dissect the best arrangement; this enabled him to destroy an opposite point of view without difficulty and to make any person, who disagreed with him, both look and feel ridiculous. The infallibility of his judgment was for many years taken for granted, and, in more cases than not, time vindicated him.

But to a very severe and forbidding exterior Lala Harkishen Lal had an affectionate and kindly nature. Few who came to him for help went

away without success. He might refuse to see a person for several days, but if the latter had the patience to wait, until he found the Lala in a good mood, he rarely failed to get employment or an increment. To those who had stood by him in the years 1913—1949, he was exceedingly loyal and generous. He provided Lala Duni Chand with a permanent seat on the Board of Directors of the Lahore Electric Supply Company, which brought him a comfortable monthly income, without much work, at a declining age. There was Rai Sahib Lala Harsukh Rai, who had suffered in the O'Dwyer regime. On his release from jail, Lala Harkishen Lal gave him an important position in his office.

The power over large finance gave Lala Harkishen Lal immense power and influence, Many came to him for money, from princes downward. Not a few of the rulers of the Punjab States approached him personally or through their Chief Ministers for loans. Generally it was his practice to go personally to hand over the money to the prince, so that he could realise the money in much the same way as he had advanced it.

But this is not to say, however, that all those, or even a significant number of those whom he had assisted, came to his assistance when he himself needed support. To cite only one instance : a person, who now holds ıan eminent position in the public life of the country, came to Lala Harkishen

Lal one evening with a tale of woe. He had fallen madly in love with the attractive wife of someone else. A criminal case had been instituted in the courts by the irate husband. After a great deal of pressure the husband in question had been persuaded to give up his wife and the case for Rs. 25,000. The money had to be paid at once, otherwise it would mean his going to jail. Lala Harkishen Lal promised to arrange the money. Needless to say that his word was as good as his deed ; the money was forthcoming.

At home and in the office, Lala Harkishen Lal was *par excellence* an autocrat. No matter how much his business expanded he liked to retain ultimate decision in all matters of importance in his own hands. He worked like a Trojan. His usual hour of rising was from 3 to 4 in the morning, winter and summer. By the time most men were wondering whether it was time to get out of bed, Lala Harkishen Lal had done a good day's work. Excepting for an hour's siesta in the afternoon, he worked at high pressure till the evening, when he usually called his board meetings. These meetings dispersed between 7 and 8. After a meagre meal, usually European at this time, he would retire. Almost invariably, he was asleep by the quarter-past-nine. He had the extraordinary capacity to discover the weak points in a case, and his employees were hard given to draw up notes in such a manner that delinquencies might escape his vigilant eye. His

noting on the files was caustic and biting. All feared his wrath as that of Jove.

The question was often asked him, but no decisive answer by Lala Harkishen Lal was ever forthcoming, had he ever been offered a knighthood by Government? In certain circles, there are two days in the year, which are most eagerly looked forward to—1st of January and a date in June. On these days, little bits of 'nothing' become bits of 'something'. Lalas are transformed into Rai Sahibs, common or garden Mians are elevated to Khan Bahadurs, entitling them to wear bits of ribbon and to be utilised as Honorary Constables, when there is a communal riot. Some are content with an O.B.E., a democratic order with a wide franchise. Needless to say Lala Harkishen Lal never sought a title. A few within the inner circle of Lala Harkishen Lal's confidence know that about this time, when his position as a millionaire and industrial magnate was at its peak, he was sounded if he would accept a knighthood. His reply was characteristic: "It can neither add to my stature, nor can the absence of it detract from my importance. It may lead some people to believe that I have become a 'today'. Many thanks."

[7]

Engrossed in the promotion of industry and banking, Lala Harkishen Lal took very little part during these years in politics. From the time of his appearance before the Muddiman Committee, we

find little in the records of the following months to indicate any direct part that Lala Harkishen Lal played in the political events of that time. It is, therefore, unnecessary to revert in any detail to the growth of the Swaraj Party in the Punjab, and its eventual collapse, the return of Lala Lajpat Rai to the forefront of the Punjab arena and the second and third elections under the Montague Chelmsford constitution. In the autumn of 1926, the writer was a candidate for the Industries seat of the Punjab Legislative Council, which was, at one time held by Lala Harkishen Lal and was then occupied by Rai Bahadur Dhanpat Rai, Chairman of the Punjab National Bank. The campaign was proceeding excellently, the candidature having such formidable support, as that of Lala Lajpat Rai, Raja Narindra Nath and Bakhshi Tek Chand. The Bakhshi was himself a candidate from Lahore City, opposing Lala Duni Chand, the Congress leader and popular idol. Lala Harkishen Lal, who had taken no part at all in election controversies, suddenly appeared as a protagonist of Duni Chand. He sponsored his nomination papers and issued an appeal to the electors to support Lala Duni Chand. The result was disastrous, as Bakhshi Tek Chand was now a more popular candidate, and had undoubtedly a more important backing. As a younger and more energetic man, he had also a better and more efficient organisation. Professionally he was at the top of his form, and politically among Hindus he commanded a predominant voice. To support Lala Duni Chand was clearly

to back the wrong horse at the wrong time. It had no effect on the Lahore election, but it had a direct effect on the Industries seat, where Lala Harkishen Lal's son was fighting the Punjab National Bank. Needless to say, and not without some justification, Bakhshi Tek Chand, Raja Narindra Nath and Lala Lajpat Rai went to the support of Rai Bahadur Dhanpat Rai and helped him over the stye to win.

Bakhshi Tek Chand, soon after his election, was elevated to the Bench, both Sir Fazl-i-Hussain and the Governor (Sir Malcolm Hailey) being in agreement that he would be safer in the High Court. The only terms upon which Bakhshi Tek Chand would agree to quit politics, was a permanent position on the Bench. Against all previous conventions, he had the unique gratification of being appointed a Puisne Judge from the very start. The loss to the Bar was greater than the loss to public life. A strong partisan, but for all that, Bakhshi Tek Chand was a very real patriot and during his leadership of the profession, the Bar had a reputation for capacity and independence which has sadly deteriorated since.

[8]

By this time, diarchy had died an unnatural death. The government had become unitary from sheer force of circumstances. Towards the end of 1923, Lala Harkishen Lal, tired of the interference of the Government of India, the Local Finance Department, the subservience of the rural block to

the official block and anxious to expose the O'Dwyer regime, resigned a ministry about which he never had been very keen. His successor in office was virtually nominated by his colleague, Mian Fazl-i-Hussain ; the Government approved of the choice even, though the person in question had been once unseated. But the ministry was short lived. The new incumbent was, for the second time, unseated. The Governor had, by this time, so completely abdicated that in the nomination of his successor, the Mian entirely prevailed. Apart from the merits of particular individuals, from the constitutional point of view, Mian Fazl-i-Hussain achieved an outstanding and remarkable success. There was no doubt that he had overcome the obstacles of diarchy, and, through sheer forcefulness and clever strategy, succeeded to great power and influence. Chaudhri Chhotu Ram proved a successful and able Minister eventually succeeding. Sir Fazl-i-Hussain in the leadership of the Unionist Party.

There was a set-back, however, when Sir Malcolm Hailey came to the Punjab. Sir Malcolm came with a great deal of glamour as the most effective and brilliant debator on the Government benches in an Assembly distinguished by a galaxy of such superior talent as Moti Lal Nehru, V. J. Patel, Madan Mohan Malaviya, Lajpat Rai and M. A. Jinnah. In appearance and mannerism very like the late Lord Curzon, he was endowed with stupendous energy and capacity for long tours and longer Executive Council meetings. The new

Governor covered remote tracts of the province, shaking hands with every local official down to the village *lambardar*, and forcibly grabbed every string, *transferred* or *reserved* of the Government of Punjab. When some shuffling in the Ministry was necessitated by the nomination of Mian Fazl-i-Hussain to the Government of India, as a temporary Member, Sir Malcolm threw over the nominees of the Mian (by then Sir Fazl-i-Hussain) and appointed Sardar Joginder Singh, recruiting him from so remote a field as the Council of State. The vacancy caused by the retirement of Sir Abdul Rauf from the Judgeship of the Lahore High Court, went not to a member of the Muslim community, but to Kanwar Dalip Singh, then Government Advocate, a Christian. Sir Malcolm also squashed the Money Lenders' Bill, which was the source of one of the most exciting chapters of political controversy in this province. The Bill, moved by a private member, had been given the facilities of a government measure and owed its inception to an official source. Gradually communalism, in its most virulent form, went out of the lime-light. A great deal of exaggeration had been applied to the policy of Mian Fazl-i-Hussain and to the evil at large. In spite of riots, and some very bloody riots, the heart of the province was far from communal. Communal controversies were in substance superficial, a quarrel over secretariate and government appointments and instigated by persons, who depended upon public approbation, and the measure of their communalism. To the latter class, religion was merely a trade-mark, and it is true,

but regrettable, that not a few of those who proclaimed that Islam was in danger broke most tenets that Islam holds dear ; and, similarly, many of those, who pleaded that Hindu interests were being sacrificed, were far from Hindus in orthodoxy. The mass of Hindu and Muslim opinion was not communally biassed. The man in the field generally understood his crops better than his God.

But, in spite of a certain number of set-backs, the years 1920 to 1928 were momentous in the annals of Punjab history. The Punjab had been traditionally endowed with common sense and practical wisdom. To the rest of India, Punjab had become, more or less, an Ulster. With prosperity comes progress, and progress leads to enlightenment. Viewed from this standpoint, the constitutional experiment proved more successful in the Punjab than in any other part of India. There were, undoubtedly, some disreputable chapters that did no credit to the history of these years, but such circumstances were the extreme results of extraordinary causes. As Sir John Maynard put it to the Muddiman Committee, the Reforms in the Punjab brought forth "sensible councillors", "intelligent electorates", "capable ministers" and had established a "sound case for full res ponsible government".

In spite of the prominence given to certain aspects of the communal controversies in the province, a large section of intelligent non-Muslim opinion was willing to conceive of a government headed by a Muslim Prime Minister, Mian Sir Fazl-i-Hussain,

It was appreciated that no government, not even a communal government, could carry on in total disregard of other interests, and, sooner or later, parties and groups on issues other than communal would be formed. Shorn of the prominence given to certain matters of parochial and petty interest, the Reforms proved an era of marked progress, valuable experience and enhanced responsibility. The outstanding achievement of the development of responsible government was, undoubtedly, that of Sir Fazl-i-Hussain. Even among his own community, there was no unanimity as to everything that he did, but he demonstrated the power and the capacity of his countrymen to handle a difficult administrative machinery.

[9]

In the year 1927, Lala Harkishen Lal was able to transact two very important items of business. He succeeded in obtaining from the Kashmir State a contract to exploit the well-known Kishenganga Forests for a period of several years. From these Forests valuable timber is extracted for railway and building purposes. The contract represented a royalty payment of over twelve lakhs of rupees annually to the Kashmir Durbar. The right to exploit the forests was keenly contested by others, and, particularly by the retiring lessees, who had made considerable fortunes in this business. Lala Harkishen Lal was offered an attractive sum down and a percentage of the annual net profits, in return for the assignment of his rights, by one of his competitors. The offer was unfortunately refused. The

contract, though it enhanced his reputation in the business world for the time, was, eventually, one of the causes of the crash. This will be explained later.

The second important item of business was the sale of the Bharat Ice Factory in Calcutta to the Lightfoot Refrigeration Company. The history of this venture was melancholy. The summer of 1919 was exceptionally severe. The ice factory of the Punjab Cotton Press Company made abnormal profits. The Company had also made very good money from the military contracts, which it held during the War, and had a large available cash balance. Lala Harkishen Lal was in jail in connection with the Martial Law case. Even at this length of time, it is not quite clear whether it was with, or without, the approval of their Chairman, Lala Harkishen Lal, that the Directors of the Company decided to buy some large ice plants of more than a hundred ton capacity each. The cost of these plants at the high post-War level, and the case of their erection, constituted a considerable drain on the resources of the Company. Though the Bharat Insurance Company took a substantial slice of the shares, the Punjab Cotton Press held the bulk of the shares and debentures in the Calcutta Ice Factory, as it was generally known, to the tune of over twelve lakhs. In Calcutta, the factory had the misfortune of being located some miles out of Howrah, which complicated delivery at an economic rate, considering the price-cutting war declared by

Lightfoot and other competitors. In the duel, the Bharat Ice Factory lost, and eventually Lightfoots, acquired it for the price of seven-and-a-half lakhs, after the Company had accumulated a loss equivalent to its capital and debentures combined.

Another venture that ended in fiasco was the Mahim Flour Mills. These Mills had passed through successive owners, everyone losing money, the problems of situation and conveyance charges being virtually unsolved. Lala Harkishen Lal, before leaving for Europe in 1924, bought the Mills for four lakhs, which was regarded as cheap, but proved expensive. The Mills failed to get over their difficulties of conveyance ; they never made money and by the end of 1927 had lost their entire capital. Heroic efforts were made by successive agents deputed by Lala Harkishen Lal to put it on a paying basis, but the malady never diminished and eventually the Mills closed. The Mahim Flour Mills might have paid, if there was export of wheat and flour from India, but the currency ratio problem of 1*sh* 6d. settled the matter adversely for the Indian exporter.

In spite of these reverses, the reputation of Lala Harkishen Lal appeared to be unaffected for more than one reason. The Bharat Insurance, which was so to say the barometer, cont inued to write large business all over the country. Lahore Electric showed better and better results each year. This Company was also successfully applying for and

obtaining various new licences for the electrification of important towns. Could Lala Harkishen Lal convert losses into profits ? It was believed, at any rate by some, that the set-backs referred to above were only of an isolated character.

At this time, there arose some differences between the Directors of the Peoples Bank as to the amounts advanced to Lala Harkishen Lal and the concerns in which he was interested. A sub-committee consisting of Sir Sikandar Hayat Khan, Rai Bahadur Narinjan Dass and Lala Diwan Chand of Delhi was appointed to go into the matter. The Committee went into the question and recommended debentures from certain concerns.

Some explanation of the large borrowings from the Bank and others lay in the policy of expansion. There would naturally be a genuine difference of opinion as to the merits of this policy in the circumstances that then prevailed. New mills, new factories, needed money apart from purchase prices, Lala Harkishen Lal considered that the time had come, when prices were at a minimum, and it was a favourable time, to buy up closing concerns, owing to the general economic depression, which had now set in and which he anticipated would not last beyond a few years. Further, before the economic depression, and while they were making good money, several of his Mills were burnt down. Whether these fires were due to sabotage could never be

traced, but by strange coincidence, one mill after another went up in flames after a period of prosperity. Though the insurance companies paid out more than thirty-two lakhs, the cost of the construction was considerably more than these figures. By the time the mills were re-constructed, their competitors had seized their markets. A large part of the money went to rehabilitate and finance these mills.

As to whether the borrowings from the Bank were proper or improper, or whether they had been regularly made or not, are questions upon which no opinion ought at present to be made.

About this time, not only the mills of Lala Harkishen Lal but also of many others in these and kindred trades felt the force of competition and serious efforts were made to form pools. Nothing. however, came in this direction and the various mills in the province continued a disastrous course of mutual destruction,

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The Simon Commission paid two visits to Lahore, one in the spring and the other in the autumn of 1928. When the Committee visited this city for the purpose of recording evidence, Sir John Simon smiled genially towards everyone of the carefully selected individuals on the platform. The bulk of the reception was outside the station, and represented mostly plain-clothed policemen, some hundreds of whom had been imported from various

parts of the province to fill the sacrosanct enclosure. Beyond the barrier, there were barbed-wire entanglements, which kept back several thousands of enthusiasts, who emphatically shouted: "*Go back Simon*". As a bomb had exploded a few days earlier in the midst of the *Ram Lila* celebrations, the authorities were taking no chances. The arrangements to receive Sir John and his popular team were made with great thoroughness in design and execution. The police battalions, in the early hours of the appointed day, took possession of points of ventage at the railway station and the roads leading to Government House. The *tongawallas* evacuated the station premises without opposition. Barbed-wire kept the *Mochi Gate* army at bay. A few strokes of the bludgeon on the ample shoulders of Raizada Hans Raj and the broad chest of Lala Lajpat Rai brought the rebel forces to a stand-still. Victory for the police was complete when they took a sub-editor of the *Tribune* prisoner. The Northcliffes of the Mall helped to discount the numbers of the enemy and treble the numbers of the enthusiasts at the railway station.

Lala Lajpat Rai died of his injuries, and his alleged assailant Saunders was shot dead by Bhagat Singh and his friends.

Sir John Simon and his Committee, however, met according to schedule in the Committee Room of the North-Western Railway Headquarters. The *Joint Free* Conference, which came to be known

populaly as the "*Joint Freak* Conference", was held behind closed doors. The public was excluded. The chief actor, in the words of Mr. Lloyd George, was drawn from the coastal traffic and put in charge of a voyage on the high seas. Lord Burnham was genial but unintelligent. Major Attlee appeared to think more than he would disclose, and spent considerable time over blue books and statistics. Lord Strathcona appeared a pathetic home-sick figure. The Central Legislature was represented, among others, by Sir Sankaran Nair and Sir Zulfiqar Ali Khan. The former, now about three score years and ten, was soporific, snoring most of the time, Sir Zulfiqar was polished and diligent. The Punjab Legislative Council was represented by a very distinguished personnel including Captain Sikandar Hayat Khan Chairman, Dr. Gokal Chand Narang, Chaudhri Zafarullah Khan and Raja Narindra Nath. The memoranda was carefully sifted. The Simon Commission gave no indication of a desire to hear the purely national viewpoint. The arrangement of witnesses at Lahore and at Poona showed how skilfully this could be done. The local contingents consisted of three government witnesses, Hindus in a batch, Muslims in a batch, *Zamindars* and Martial races, Some amazing feats of political contortionism were accomplished when the same person appeared in more than one deputation before the Commission, Some of the deputationists came in a display of gold, not realising that some people could be funny undressed, it was doubtful whether they were that dressed.

In the earlier visit, Lala Harkishen Lal entertained Lord Burnham at a banquet (at the request of the Government). During the present visit, he took no part; he joined no deputation, nor submitted a memorandum. At his suggestion, however, the Indian Chamber of Commerce submitted the Nehru Report as part and parcel of the Chamber's memorandum. The nominees of the Chamber were not called, undoubtedly, as Sir John Simon was not anxious to give the Nehru Report any undue importance.

During its session at Lahore, the Committee examined Ministers and Executive Councillors of the Punjab Government, both past and present. About the last day, as the Conference was about to break up, it was discovered that a link was missing. Two ministers had been appointed when the *Montford* Reforms were introduced. Fazl-i-Hussain had appeared, where was the other? Bhore (later Sir Joseph Bhore) Secretary to the Commission was directed to discover him, and, with the assistance of the telephone and an official car, persuaded Lala Harkishen Lal to come and give the Committee his views.

Sir John Simon was not aware that Lala Harkishen Lal had specialised in bombshelling commissions. He was stunned to hear that His Majesty the King had a debt to India to liquidate, that he had paid a small instalment, and was very much in arrears, and the instalments should be brought up to date.

Doctor Narang and Chaudhri Zafarullah Khan found one or two questions more than enough. Sir Arthur Froom anticipated financial difficulties, which the Lala, however, readily solved.

It was all over in forty minutes—short but very pungent. Here is the pith of it.

Chairman : "We are very much obliged to you, Mr. Harkishen Lal. We know, of course, that you were the first Minister of Agriculture in this province ?"

"Yes, sir."

"I should just like to put a question to you quite bluntly and boldly, and it is this. What would be your view as to the working of dyarchy, the successful or unsuccessful working of dyarchy, in the Province of the Punjab ?"

"Well, sir, there was no *dyarchy*. There was in some cases "*quadrachy*"—four people working separately—and in some cases a unitary government."

"Did you say quadrarchy ?"

"Quadrarchy. There were four parts of the Government ; not two."

"Well, you won't expect me to adopt that word ! And then there was sometimes unitary government ?"

"Yes."

"You are putting it very epigrammatically, Mr. Harkishen Lal ?"

"That is the only way to sum up the situation."

"Whether you regard it as four-footed, or whether you regard it as a single thing, I think the interesting question is, do you consider it worked ?"

"It worked, I should say to a very large extent."

"Is it legitimate to ask you, Mr. Harkishen Lal, in very plain terms what you recommend should be done now ? "

" To put it very briefly, my view is this : His Majesty the King in 1921 (His Message delivered at Delhi) said that he would like to see India very soon on a footing of full responsible government ; and it was also said in despatches that the present concession, the Act of 1919, was a substantial instalment. Well, so far as the provinces are concerned, I think, sir, the second instalment ought to be paid and the debt cleared. The whole thing should be liquidated. So far as the Government of India is concerned, if I am allowed to say, I should fix up two instalments one now and one later."

" Now it comes to this then, that your view is—you are speaking, of course, from great experience of the province—that the time has come to take a step forward in this province, which you think, should go to the full length of provincial autonomy ?"

"Quite so, sir, but provincial autonomy should be defined. It should not be power in the hands of the Governor entirely. That would also be autonomy; the power should be in the hands of the ministers or the people."

Colonel Lane-Fox: You said you would like to see full provincial autonomy ?"

" Yes."

" That, of course, means that you would like to see law and order transferred to a responsible Minister ? "

" Yes."

" Then you are not afraid of the administration being interfered with ? "

" No."

Dr. Narang: " You have said all this on the assumption that all these wrangles about communalism would disappear ?

Are there any wrangles every day ? "

" That is not the point. I mean the distinction: the distinction, for instance, in electorates and the reservation of seats on various bodies and all these things, and taking communal views ? "

" Is there any trouble now ? "

Sardar Ujjal Singh : " Are you in favour of keeping separate communal electorates or are you in favour of joint electorates ? "

" I will have joint electorates. "

" With regard to full provincial autonomy, would you keep the control of the Central Government over the provinces to some extent if all the subjects are transferred ? "

" That will have to be worked out in detail. "

Rai Sahib Chaudhri Chhotu Ram : " Did you pull well with your colleagues ? "

" Yes. I was dining with one of them only three nights ago. "

Raja Narindra Nath : " And even with Secretaries ? "

" With Secretaries also, except with one head of a department. "

Chairman : " Need we go into that ? What particular constitutional point do you wish to raise on this subject ? "

Rai Sahib Chaudhri Chhotu Ram: "I was simply asking him whether he pulled well with his colleagues."

"There was absolutely no friction. But we had on certain subjects differences of opinion."

Chairman: "Most people have. We have in this Conference."

Sir Arthur Froom: "Amongst your other activities, Mr. Harkishen Lal, might this Conference regard you as a great financial expert?"

"If they please."

"I will put it the other way. You are a big banker?"

"I do not say I am a big banker, but I am a banker."

"For that reason, I attach great weight to the answer which I hope you will give to my question. Would you regard that the Finance Department of the Government of the Punjab under provincial autonomy should be entirely separated from the Central Government?"

"The department is already separate. The functions in some cases are not well defined, but otherwise it is."

"May I put a direct question. Would you visualise the Province of the Punjab, or the Punjab Government in the future, or the government of any other province, being allowed to bring out loans without any consent from the Central Government?"

"My own view is that generally, in ordinary cases, the province should be allowed borrowing power. But there may be cases of stringency or of famine or war and so on, in which cases the Government of India might very well be consulted or may have control."

Lala Burnham: "As a matter of fact, are there not two cases in which the Government of the Punjab did raise loans on its own account?"

"Yes."

Sir John: "I understand there are only one or two such cases. I must say I feel some difficulty in this matter, as I think Sir Arthur Froom also does. Might I put what is a purely hypothetical case? You know in London each department of the State is not permitted to go into the money market and raise money for itself. The Treasury insists on co-ordinating their demands and the money must be

raised through the Treasury. Do I make myself clear ?"

"We were not talking of the departments."

"I was only saying it as an analogy ?"

"I will give an illustration. Local Bodies in England do borrow independently of the Treasury, and, here, the Provincial Governments would be the local bodies in that sense, the Government of India being the Treasury. In India, also, you are aware that Port Trusts and municipal corporations, in many cases, raise loans independently of the Government of India."

Referring to Commissions, we have referred to the Industrial Commission of 1917, and the reasons assigned thereat for the failure of the first Peoples Bank. Then came the sensational evidence tendered by Lala Harkishen Lal before the Muddiman Commission and later to the Simon Commission, to which we have just referred. During his period as Minister, Lala Harkishen Lal was examined as to Tariff. His evidence on these matters, if less sensational than others, had a profound effect on the Committee. It had also an equally profound effect on the economic policy of the Government of India ever since. One of the main themes under examination in the matter of tariffs was the desirability of the introduction of a

protectionist policy for India. Asked if he favoured *Protection* or *Free Trade*, Lala Harkishen Lal said he favoured neither entirely: he would have a policy of 'Qualified Protection' or, in his words, "Discriminating Protection" and amplifying this view, stated that it was necessary 'to protect the infant', 'assist the growing' and, 'free the adult,' This applied equally to industries, communities and individuals. Government accepted the formula adumbrated by Lala Harkishen Lal, and, in spite of criticism from certain quarters, this policy of 'Discriminating Protection' has been followed by the Government of India ever since. Euphemistically this policy is described as "*Beneficent Protection*". Lala Harkishen Lal is also responsible for the definition of "beneficent departments" and "beneficent activities", expressions which today take pride of place in the vocabulary of every Finance. Minister in the country.

The Central Banking Enquiry Committee was constituted in 1929. Government of India appointed Lala Harkishen Lal represent Indian indigenous banking.

The Committee, which consisted of members of the Central Legislature, and other well-known authorities on finance, was formed *inter alia* to enquire into the working of banking institutions and existing banking facilities available in India, as also to explore avenues for the establishment of one or more Central or Reserve Banks. The mem-

bers of the Committee included among others Sir B. N. Mitter (Chairman), Sir Purshotamdas Thakurdas, Manu Subedar (Bombay industrial and commercial magnate), Mr. (now Sir) Shanmukham Chetty, Haji (now Sir) Abdullah Haroon, Mr. (now Sir) Walter Lamond of the Imperial Bank, Sir Hugh Coke (European Chambers), G. K. Devdhar (President of the Servants of India Society) (Co-operative Societies), D. P. Khaitan (Indian Merchants Chamber) and Mian Jamal Mohammed, leading financier of Madras.

The Committee examined witnesses in various parts of India and assembled in Delhi during the season 1930-31 to examine foreign banking experts and to write their report. Lala Harkishen Lal was one of the most active of its members.

The author had occasion to meet Sir George Schuster, then Finance Member of the Government of India, soon after Lala Harkishen Lal's appointment. Sir George Schuster expressed very great pleasure at Lala Harkishen Lal's ability to accept his invitation to serve on the Committee. "I have the profoundest respect for his opinions!" he said. Lala Harkishen Lal, simultaneously with the Central Banking Enquiry Committee, was nominated by the Punjab Government as a member of the Punjab Provincial Enquiry Committee, and contributed several chapters to the Report of that Committee. In addition to these two Committees, Lala

Harkishen Lal also found time to preside over the Local Enquiry Committees of one or two Indian States.

These various memberships served to enhance his reputation as also the reputation of the banks and companies over which he presided. The Peoples Bank, by this time, had become sufficiently important to be asked to join the clearing house with the Imperial Bank at Lahore.

It is impossible within the compass of these pages to adequately summarise the work of Lala Harkishen Lal on the various Banking Committees. Anyone perusing the Report of the Punjab Enquiry will see how large a portion of that Report bears the unmistakable impression of Lala Harkishen Lal's hand. But the latter's knowledge of banking was of no parochial character, as the members of the Central Committee discovered. If it was, comparatively, natural that his personality should overshadow the Punjab Committee generally, the same would scarcely be expected in the Central Committee, which was one of the most distinguished assemblages of commercial talent. Thousands of pages of print constitute the record of the evidence, a large part being discussions held by the Committee with foreign experts, including persons of international eminence as Doctor Jeidels, Partner of the *Berliner Handellsgesellshaft* and Director of the *German National Railways*; Doctor L. A. Trip, former Presidents of the *Bank of Java*

and G. C. Cassells, Deputy Chairman of the *Institute of Bankers*, London. Even a cursory perusal of these discussions, shows how great was the part played by Lala Harkishen Lal and how easily he dominated his peers.

The following extracts from the discussions with the foreign experts are of more than ephemeral interest :

Lala Harkishen Lal : How is liquidity guaranteed or assured ?

Dr. Jeidels : While in this country Government securities from the principal liquid investment, in western countries, with an established bill market and a Central Banking Institution, this liquidity is supplied by investment in bills, principally.

Lala Harkishen Lal : The cash in the till is liquid ?

Dr. Jeidels : If they are good rupees, yes.

Lala Harkishen Lal : I though it was gold there : the cash in the till is liquid. The bills—3 months, 6 months—are also considered to be liquid ?

Dr. Jeidels : What is to be considered real liquid depends very much on the existence of a Central Banking Institution.

Lala Harkishen Lal : Leaving that aside, you will call the bills held by the Imperial Bank as liquid ?

Dr. Jeidels : I suppose so. They can raise emergency currency on it.

Lala Harkishen Lal : It may be bad water, but after all it is liquid ?

Dr. Jeidels : Whether it is liquid depends on the possibility of its being re-discounted or similar arrangements.

Lala Harkishen Lal : Liquid is liquid, whether it is stinking or putrid water.

* * * *

Sir Purshotamdas Thakurdas : I just want to ask one question which to my mind would clear up the position from the point of view which strikes me. It appears to me that Dr. Jeidels' reply to this question "Are the banking facilities sufficiently extended" is 'yes', as far as the information given by the bank reports go, Would that be a correct inference from your reply ?

Dr. Jeidels : Yes.

Lala Harkishen Lal : Whether we are satisfied with that answer is a different question.

* * * *

Lala Harkishen Lal: There used to be a Stinnes. Would you kindly tell us about his banking and enterprises ?

Dr. Jeidels: It was an exclusively industrial firm.

Lala Harkishen Lal: How did they get their banking ?

Dr. Jeidels: They got their bank loans against collateral of shares.

Lala Harkishen Lal: Not on bricks, not on hotels ?

Dr. Jeidels: No. When this big concern failed in 1925, the liquidation lasted only about 4 months and no creditor lost a penny. The reason was that the firm had got all their credits against security of shares.

Lala Harkishen Lal: Is it the case that several of their concerns were floated into separate companies and the flotation brought their own security ?

Dr. Jeidels: The loans were against rather liquid assets.

Lala Harkishen Lal: The liquidation was quick because a dozen banks all joined to get this liquidated in a few weeks. It means they put in their money where

your opinion would have advised them not to do ?

Dr. Jeidels : You will find cases in which the banks have to take over the property. that is brick and iron and steel. But in this case all loans were against collateral, all elastic securities, which were sold inside of a few months.

Lala Harkishen Lal : Do you know that many countries which are now under the war arrangements have started industries or industrial life under a very different system from what you are advocating ?

One thing which I should like to know is in regard to the appendix which you have added on " Some figures on the present state of industrial development in India ", You say that industries like cotton, jute and tea gardens have developed on a large scale. The resources of India are not confined to these three.

Dr. Jeidels : Take statement No. 2.

Lala Harkishen Lal : I am referring to para. 2 under " Some figures on the present state of industrial development in India ? "

Dr. Jeidels : Quite so.

Lala Harkishen Lal: You have considered these three?

Dr. Jeidels: I have not only mentioned these three, but have considered more. In the statistics you find all: I used the word "like", but should have said "for instance" or "principally"; please read "as" as "such as".

Lala Harkishen Lal: I should like to know your opinion now about certain other industries. I will give you the industries. Oil-seeds we have plenty. Have you discovered that our oil industries, vegetable oil industries, are on a par with cotton, jute and tea gardens?

Dr. Jeidels: There are many finely developed industries in India.

Lala Harkishen Lal: Is that industry developed to the size and quality corresponding industries in western countries?

Dr. Jeidels: I suppose it is.

Lala Harkishen Lal: You have not looked into it?

Dr. Jeidels: It has not been my business.

Lala Harkishen Lal: I want to know the fact. Why don't you say, "I have not had time to look into it". We did not impose any

conditions that you should study all industries. I am asking whether you have done it ?

Chairman : All Lala Harkishen Lal wants to know is whether you have studied the conditions of those industries also.

Lala Harkishen Lal : Oil-seeds, timber, iron ore, hydraulic power, coal mineral, sugar, leather, sand and clay, fruit and fruit industries, and fibrous industries. What do you think of these ?

Dr. Jeidels : Do you ask me for a special opinion on these industries ?

Chairman : All Lalaji wants to know is whether, when making your statement you had considered the industries mentioned by him ?

Dr. Jeidels : I have mentioned the largest ones.

Chairman : I am very sorry you will not answer the question. Dr. Jeidels is not willing to answer the question.

Dr, Trip fared little better. Lala Harkishen Lal by skilful cross-examination elicited from him that India had need of commercial and industrial banks, a viewpoint that the Lala had urged for quarter of a century.

Towards the end of 1930, Lala Harkishen Lal's position in the financial world stood relatively high; his personal income in spite of some set-backs was at an impressive figure; he paid income-tax running to nearly six figures; the Peoples Bank had sold capital of 95 lakhs, a record for the Punjab; its deposits were now several crores; it had nearly a hundred branch offices; the Bharat and the Electric companies were enjoying a peak period of success; he had the confidence of the Government, and the press profoundly respected his views on economic questions; with the Congress and Nationalist parties he was a *persona grata*, generously contributing to their funds; the lands held by him showed surprising rise in values; he took a lively interest in civil aviation and spent largely to promote and encourage airmindedness in Punjab. He commanded a partronage and an authority that is given to few men in their lifetime to enjoy. The magic of a unique personality held friends, colleagues, employees and members of his family in the conviction of the infallibility of his ability and judgment. As to omnipotence, the commands of the gods might be disobeyed, but not, with impunity, the commands of Lala Harkishen Lal.

CHAPTER VI

Pauper

We have hitherto referred to Lala Harkishen Lal's remarkable rise from poverty to opulence, the fall in 1913, years of difficulty and anxiety, criminal proceedings, jail, and then the glory once again of power, riches and the honour of his fellow-men. In all these years, Dame *Fortune* was, generally, loyal and constant. We now come to the fateful years '31 to '36, when there appear differences, but, in spite of these, *Fortune* doggedly follows his footsteps. Over and over again, she appears to knock at his door, only to find his back turned on her. Eventually disgusted she goes for good. Like Napoleon at Elba scanned the horizon, Lala Harkishen Lal, once again in the Central Jail, watches the clouds for some indication of the return in his luck.

Fortune has been described as a fickle mistress, but if ever she was constant to a man, it was to Lala Harkishen Lal.

While Lala Harkishen Lal was in Delhi, cross-examining the foreign banking experts, and helping to formulate the report of the Central Committee. important developments were taking place, that were rapidly undermining the foundation of his largely

extended business. The Directors of the Peoples Bank were becoming restive *inter alia* at the growth of the timber account, which started in a comparatively small way in 1927, and now stood at the figure of over 19 lakhs. The proposal to convert the timber business into a separate joint stock company, in which several outside business houses were ready to subscribe, had been deferred time and again by Lala Harkishen Lal, and was no longer a feasible proposition.

In the timber department, which was, by the way, controlled exclusively by Lala Harkishen Lal, the Bharat Insurance Company was also interested to the extent of over 25 lakhs. Admittedly, the business was large, and the timber extracted was of first-rate quality, the Railways giving preference to this over many other timbers in the market. But, after a time, it became certain that several factors militated against (and even made an impossibility) the prospects of Lala Harkishen Lal ever making a profit out of the contract with the Kashmir Darbar. The major portion of the term of the contract had run ; in the first year the fellings were delayed for want of a complete organisation ; the extraction of marketable timber was every year short of the estimates. In the second and third years, there had been visitations of nature, unusually severe, much timber being lost in heavy floods. Another and equally important factor that made a favourable balance difficult, were the methods of business to which Lala Harkishen Lal conscientiously adhered.

It was well rceognized that in the timber trade substantial remuneration was often paid to Government and Railways passing officers, who then passed the timber with a moderate percentage of rejections. Where there was no palm oil, the percentage of rejections might be high and the timber so rejected could not be sold in that class again. Similarly, in the Kashmir State, it appeared, that without grease, a larger number of inferior trees might be marked, resulting in a lower extraction of marketable timber. From the very outset, Lala Harkishen Lal determined—win or lose—not to pay any of this backdoor money, and forbade his agents from promising any gratification to anyone. Honesty may be the best policy, but this was never intended to apply to the timber trade. Though exact figures were never known, (except to the proprietor of the buiness), it was widely rumoured that the losses had totalled to a large figure.

Not in the best of moods over the course of the timber business, the Lala found that the Flour mills and the Sugar Factories were, partly owing to adverse freights, exchange and competition. not making the money that he expected. He made periodic week-end visits, marked by volcanic explosions of temper, that did not help the malady, and created an unnecessary impression on office gossips that everything was going wrong. Credit now had a rapid decline.

It is the considered view of many persons that if Lala Harkishen Lal had abandoned the various

Banking Enquiry Committees in time the subsequent consequences need never have followed.

The balance-sheet of the Peoples Bank for 1930 was signed by the Directors in April '31 and was passed by the Company in General Meeting with very little adverse comment.

Meanwhile, owing to certain differences of a business and private nature, K. L. left the companies. It is unnecessary for the purposes of this book to give any details, as that is bound to be more or less coloured in a personal viewpoint, and the orther side of the question might not be adequately stated.

By August 1931 clouds were gathering fast. The general economic depression had reached a profound depth. Nobody could actually foresee how much further the decline would go. Government was borrowing at 7 per cent., the value of so-called *gilt-edged* had depreciated by 50 per cent. Banks were hard hit, not merely by the heavy fall in Government Paper, but also by an outflow of deposits. If persons could get 7 per cent. on 3-month treasury bills, obviously, they would not be keen on renewing deposits for longer periods at 6 per cent. This situation severely affected not merely the Peoples Bank but other banks, some of which came perilously near the precipice.

Certain other factors, of a personal character, also at this time adversely affected the credit of the Peoples Bank. Certain disgruntled employees wrote

some articles to the vernacular press. Not much notice was taken of these, until the General Assistant (Pandit R. N. Raina) of the Bank, eager to prove the excellent financial position of the Bank, went into an elaborate *apologia* in regard to the item of 82,00,000 in the balance-sheet of 1930, shown as loans to directors and directors' companies. This was the signal for a furious controversy. Insurance companies can survive controversies, banks do not. The withdrawal of deposits assumed greater force than ever. misfortunes do not come singly; Lala Harkishen Lal went down with an acute heart attack. He could not attend to office affairs, when his assistance was most necessary. These circumstances added to complications and rumours.

Another bank that was in deep waters at the time was the Punjab National Bank. The directors of that Bank turned to Lala Mulk Raj Bhalla, Chairmam of the Bari Doab Bank and Punjab Co-operative Bank.

Lala Mulk Raj to Lahore needed no introduction. For many years he had successfully combined poetry with practical banking. He believed in small companies and big dividends. In his opinion, Lala Harkishen Lal was the only man, in the Punjab, who could float a bank with a Capital of a Crore of Rupees, and make it a success. He was one of Lala Harkishen Lal's closest friends. Perhaps, the fact that Lala Mulk Raj and Lala Harkishen Lal shared a common interest in the Persian poets *Hafiz* and *Saadi*, had something to do with this.

Apart from Government Paper, the Peoples Bank had ample other investments and Lala Harkishen Lal anticipated that Lala Mulk Raj would be able, from his various companies, to advance the bank money to tide over the crisis. The Maharaja of Patiala, once again, generously, came forward and expressed his confidence in Lala Harkishen Lal by advancing 5,00,000, which was turned over to the Bank. The Bharat also took up some of the debentures, held by the Bank, which it was hoped, would weather the storm.

Then came the *moratorium* over England's abandonment of the *Gold Standard. The moratorium* was welcome, but, on the re-opening, deposits continued to flow out. There is a difference of opinion as to how long the Peoples Bank, by inter-arrangement with various associated companies could have held out. At 11 a.m, on September 29, Lala Mulk Raj, then Managing Director of the Bank, decided to suspend payment and ordered the doors to be closed. There were 11 lakhs in cash in hand at the time but, nevertheless, the Managing Director considered it proper to suspend payment. It is a pity that in so important a matter he acted on his own initiative, and did not consult his directors or Lala Harkishen Lal, as that would have saved him a great deal of criticism and insinuation that he closed the Bank to benefit the two banks, in which he was more intimately interested.

The general consensus of opinion was that the Bank was solvent and could be revived. Supported by a large number of shareholders and creditors, the directors made an application to the High Court for permission to reconstruct the Bank or to " resuscitate" it, as the application said. Lála Mulk Raj deposed in an affidavit that the business of the Bank had to be suspended "owing to the stringency of the money market, fall in the price of Government securities and an unprecedented demand for liquid cash" and that the " cessation of the Bank's business was due to extraordinary causes, mostly beyond its control". He further added that the assets of the Bank were more than sufficient to pay off all its creditors in full within a reasonable time.

The main features of the scheme included the resumption of banking business, payment forthwith in full to the unsecured creditors of rupees 50 and under, as also to the secured creditors, and repayment to the unsecured creditors in half-yearly instalments commencing February 1932 and ending August 1934. One of the facts, to which the directors, particularly, referred was the reduction that had taken place between January and September in the amount due from directors and directors' companies. The amount stood at 67 lakhs as compared to nearly 83 lakhs nine months earlier.

The application came up before Mr. Justice Tek Chand, who was the Commercial Judge. The

learned Judge was urged to consider the difficulties that beset Indian banks, and the damage that accrues to general trade and commerce by the winding up of an important banking instruction, The application for resuscitation had the support of a large section of shareholders and creditors, who were primarily affected. The Court referred the scheme to special meetings of shareholders and creditors, who ratified the proposals. Eventully, a division bench (Tek Chand, Jai Lal, JJ) sanctioned the resuscitation of the Bank.

In giving the resuscitation scheme his approval, Mr. Justice Tek Chand, who wrote the main order, appeared to bear in mind that the Bank had suffered of late from a notoriety about loans to directors. In his opinion, the payment by the directors of their obligations, within a resonable time, was essential to the success of the scheme. The scheme, accordingly, was amended by the Court, so that it was obligatory on every director of the Bank to repay his loans in five half-yearly instalments corresponding to the instalments payable by the Bank to its depositors. In default of any instalment, the director concerned would, automatically, cease to hold office.

This amendment was interpreted by Lala Harkishen Lal as direct attack on him, and he forthwith resigned from the Chairmanship of the Bank. Up to the end, he felt that Tek Chand J. had been unnecessarily unkind to him ; as a matter of fact this is far from the truth. There was consider-

able force in the contention that unless the directors repaid their obligations in time, the instalments to the creditors could not be paid ; it would also be not fair to press non-directors for the repayment of their dues, if similar pressure was not also forthcoming in regard to directors' obligations. Considering, that the term "payment" might well include payment in cash as well as in kind, the instalments fixed by the High Court were certainly not beyond the capacity of Lala Harkishen Lal and his concerns.

The Bank paid the first instalment according to the terms of the scheme : it paid off the smaller unsecured creditors, and liquidated its obligations with its secured creditors. Some difficulty, however, was experienced as the time drew for the second instalment. The directors of the Bank were putting pressure on Lala Harkishen Lal to come to a settlement with them. Dr. Diwan Jai Chand, who had by then assumed control of the reconstructed bank, made a generous offer which summed up amounted to surrendering the property held by the Bank in liquidation of the debts. As prices had greatly declined and there was no sign of improvement in value, it was undoubtedly a tolerably good bargain. The Jai Chand proposals would have enabled Lala Harkishen Lal to clear his obligations, return to the Chairmanship of the Bank, while still retaining the control of the best of his companies, namely the Bharat Insurance Company, and the Lahore Electric Supply. Unfortunately, in spite of

the suggestions of members of his family and some friends, the terms were rejected.

Then followed an insolvency petition. The Bank claimed to have received a letter from Lala Harkishen Lal repudiating his debts and amounting to an act of insolvency. An application was made on June 22, 1932 to the Insolvency Judge. Lahore, for adjudication of Lala Harkishen Lal as an insolvent. Mr. G. S. Mongia, who heard the application, issued notice meanwhile appointing Mr. Manohar Lal (now Finance Minister) as interim receiver. Be it said to Mr. Manohar Lal's credit that, though armed with the necessary authority, he went about his work in a most courteous manner. The Receivership, however, was short-lived. Though Lala Harkishen Lal lost the appeal before the District Judge, he won in the High Court on a revision petition. The learned Judges (Jai Lal, Bhide JJ.) not only removed the Receivership, but quashed the whole insolvency proceedings, holding that the letter, referred to, had been written in a humorous vein, and could not possibly be interpreted as an act of insolvency. Lala Harkishen Lal's luck was still following him.

Meanwhile, the directors of the Bank applied to amend the scheme so as to extend the time for the second and subsequent instalments. Lala Harkishen Lal fortified with the victory in the High Court, submitted his own scheme, incidentally taking the opportunity to say a few hard things about the

directors of the Bank. The Hon'ble Judges indicated that they would not allow the High Court to be used for propaganda, but would consider any joint scheme that the Bank and Lala Harkishen Lal might put forward. Rai Bahadur Lala Badri Das, Advocate, offered to make his house the *venue* of a meeting between Lala Harkishen Lal and the directors. Eventually, a joint scheme emerged with an annexure relating to an agreement by Lala Harkishen Lal in regard to his own and the obligation of his companies. This agreement, subsequently, came to be known as "*Annexure B*". In due course, the joint scheme was approved of by creditors and shareholders and obtained the sanction of the High Court (November 1932).

In the course of direct negotiations with Lala Harkishen Lal, Dr, Diwan Jai Chand and the new directors appeared to have come under his spell. They began to believe that without his presence in the Bank, the resuscitation scheme could not be a success. Lala Harkishen Lal was not qualified to be a director, but a way was found of driving a chariot through the provisions of the scheme, Accordingly, therefore, the Vice-Chairman. Dr. Diwan Jai Chand sent the following telegram to Lala Harkishen Lal :

> "*Directors most anxious to have you on the board having realised that revival only possible with your constant direction and guidance. They propose passing resolution*

inviting representation Bharat Insurance Company (through you). Kindly wire acceptance. Jaichand."

In response to the invitation, Lala Harkishen Lal again assumed office in the Bank in the capacity of " Honorary General Manager. "

Certain directors, interviewed, privately and officially, Lala Harkishen Lal in connection with the liquidation of his obligations. An interesting memorandum was handed to Sheikh Mohammed Ali on the subject. There were, however, some obviously impossible clauses stipulating an apology from Lala Mulk Raj to the Bank for suspending payment, and an apology from the directors of the Bank to the Bharat Insurance Company for appropriating a sum to an account without the consent of the Bharat directors. The following letter addressed to Raja Sir Daya Kishen Kaul clearly indicated that Lala Harkishen Lal still believed that he would dictate his own terms :

" My dear Raja Sahib,

" Your letter of the 7th March to hand just now. The subject of repayment of certain loans to the Peoples Bank of Northern India has formed the basis of conversation between various parties at various times. Ultimately the possibilities were shown in a written memorandum on 17th February, 1932, which was written in

the presence of Rai Bahadur Hari Chand and handed over to Sheikh Mohammed Ali with certain explanations to both of them. Subsequently they formed the subject of conversation between Mahashe Krishen and myself when all the possibilities, probabilities, and difficulties were discussed with him. This was on 4th and 5th March, 1932.

"The matter relating to the Bhatinda Flour Mills was mentioned to you on the 27th evening, from its bearing on the Patiala State Bank loan. The matter of rate of interest proposed has been discussed with some members to show that if a higher rate of interest is insisted upon, the time 4 years will have to be extended suitably. Therefore, very little more remains to be said on my side. It there is any difficulty in fully analysing the scheme as laid down in the memorandum of 17th February, 1932, I shall be glad to expound it again once or twice as may be desired. With my feeble health it is impossible to write down all that has been talked about the matter several times.

"P. S. At various stages and in various connections all these things have been the subject of conversation between myself on one hand and Mr. Hoon individually,

Lala Mulk Raj and your goodselves on the other, but generally,"

[4]

Meanwhile important events had taken place in the family which were described variously in the press at the time. The *Light* published the following description :

> " Quite a thrill of sensation ran throughout the city of Lahore when on March 1, 1933, Mr. K. L. Gauba, Bar-at-Law, embraced Islam along with his wife and two children, at the hand of Maulana Mohammed Ali and in the presence of Dr. Sir Mohammed Iqbal, Hon'ble Malik Sir Firoz Khan Noon, Nawab Shah Nawaz Khan of Mamdot, Chaudhri Zafrullah Khan, Nawab Maula Bakhsh and Allama Abdullah Yusaf Ali. First of all Maulana Mohammed Ali, in the course of a short speech summed up the beauties of the faith of Islam.
>
> " This was followed by a short speech by Chaudhri Zafrullah Khan, who while congratulating Mr. Gauba and his wife on their courage of conviction to accept the Truth exhorted them that even if they were involved in difficulties on that account, they should have firm faith in God and not mind it in the least. Allama Abdullah Yusaf Ali also spoke :

" K. L. G's father, Lala Harkishen Lal, is an acknowledged leading light of Hindu society, well-known financier and organiser of a number of banking and industrial ventures and an ex-Minister of the Punjab Government. Personally, Mr. G. is a gifted writer and author of good many books one of which *Uncle Sham*, a rejoinder to Miss Mayo's *Mother India*, created a deep stir throughout the English-speaking world."

The Hindu press put a different complexion on the event. According to the *Milap* it was " *Mussulman larkee ke sath shadi karne ka natija* " (the result of marrying a Muslim girl !)

[5]

In enabling Lala Harkishen Lal to again become Honorary General Manager of the Peoples Bank, it appeared that the fates had once again entered into conspiracy to save him from accumulating embarrassments. At this time, if Lala Harkishen Lal had chosen to make a definite settlement, there was no doubt that he would have had little difficulty in obtaining his own terms.

It was clear that in any settlement, at this time, he must lose the bulk of this industrial concerns. It was clear that the desire to hold to these as long as possible, was responsible for the procrastination on

his part in arriving at any definite scheme of settlement.

Meanwhile other debtors of the Bank, including certain ex-directors, were being pressed to pay up. Though Lala Harkishen Lal was also making substantial payments, the agreement "*Annexure B*" had not been carried out, and, was not being very seriously pressed by the directors. This led to an anomalous situation.

In October 1933, Pandit Roop Narain, former General Assistant, who had been rather roughly pushed out, filed a winding up petition, alleging among other things a violation of the terms of resuscitation. It was believed by Lala Harkishen Lal that the petition was instigated by Sir Daya Kishen Kaul, who desired to adjust his loans by purchase of deposits at favourable rates, which could only be done, if the Bank went into winding up. If Pandit Roop Narain and any others interested in these proceedings had realised the subsequent turn of events, they would no doubt have wisely preferred to allow Dr. Diwan Jai Chand and Lala Harkishen Lal to work out things in their own way.

In the course of the hearing of the winding up application, it appeared that Lala Harkishen Lal had made considerable payments to account, which according to the Vice-Chairman's report amounted to nearly 25 lakhs. In his opinion "the chief organisers of the movement for taking the Bank into liquidation are not actuated by any but selfish motives and narrow personal interests".

Though Lala Harkishen Lal's payments were considerable, there was no answer by the Bank to the allegation, in the winding up petition, that Lala Harkishen Lal did not intend to carry out "*Anneure B*". The Court decided to take the statement of the Lala himself on the question. Examined on oath, the following questions and answers were recorded :

> "It has been pointed out in the course of these proceedings that *Annexure B* styled as 'an agreement offered by Lala Harkishen Lal for payment of his debts to the petitioner Bank', dated the 25th July, 1932, which was presented to this Court along with the amended scheme by Dr. Diwan Jai Chand, Vice-Chairman of the Bank on that date, has not been carried out.
>
> "Is this so, or has it been carried out ?"
>
> "No."
>
> "Why ?"
>
> "The document called *Annexure B* was never offered me as an agreement or otherwise, but was presented to me by Dr. Diwan Jai Chand and Diwan Narinjan Parshad at 5-30 p.m. on the date it bears and was signed by me to save the resuscitation scheme from being drowned. The very first thing, that I did the next morning

was that I informed the Bank Directors relating the circumstances in which I had signed it, and that it was neither binding on me, nor was it of any use to the Bank. That is the impression of the letters that I wrote, the next day or within a few days after that."

"What is the name of the director or directors to whom you conveyed this information. ?"

"I orally coveyed this information to Diwan Jai Chand and Diwan Narinjan Parshad, who was the Bank's legal adviser at the time."

"Does this document (*Annexure B*) bear your signature ?"

"Yes."

"Are the corrections in ink in paragraph 5 of *Annexure B* now shown to you, and the line added in ink to paragraph 7 also shown to you in your handwriting ?"

"Yes."

"Were you present in the meeting of the shareholders held on the 9th October, 1932, at 4 p.m. in the registered office of the Bank, Bharat Buildings, to consider the scheme ?"

" No. So far as I remember I did not go to the shareholders' meeting, but I went to the depositors' meeting held on the same day for a while."

" Was this *Annexure B* along with the scheme discussed in that meeting in your persence ? "

" It was not discussed in my presence."

" Did you as a shareholder receive a copy of the scheme ? "

" Possibly not ; I was treated in a very off-hand way in those days and several papers were not sent to me."

" In the proceedings of the meeting of the shareholders of the Bank held on the 9th October, 1932, as submitted to this Court by S. B. Prabh Singh, Chairman, you are shown as being present, in the meeting. After being reminded of this, can you still say that you were not present ?"

" This does not remind me that I was present and I must say that shares shown in my name are wrong. I never held 500 shares, I held 1,100 shares or more. "

" Are you prepared to carry out what is entered in paragraph 2 of *Annexure B* ? "

" I cannot do it and I am not responsible to do it.? "

" You never undertook to do that and you do not consider yourself responsible to do it ? "

" I do not consider myself responsible for it."

" Dr. Diwan Jai Chand went in the witness-box, where he deposed that, though he was not sure of the date, but, some time after July 25, 1932, Lala Harkishen Lal had told him several times that *Annexure B* was a " foolish document ", and was not intended to be acted upon ; he had informally mentioned the matter to his co-directors ; he regarded the Annexure as an integral part of the scheme though " after getting the real facts from Lala Harkishen Lal, I came to the conclusion that I had been misled by Pandit Roop Narain in respect of some of the clauses and therefore no action was necessary to give effect to such clauses ". In spite of the partial corroboration of Dr. Diwan Jai Chand, the impression of Lala Harkishen Lal's evidence was to say the least, unfavourable. It was the simplest thing to have stated that he was paying his debts, he intended to pay off the balance as early as possible, and he was willing to carry out such clauses of *Annexure B* as were feasible and as regards others he would negotiate with the directors.

Quem deus vult perdere dementat. It is the misfortune of the greatest and the wisest to make mistakes ; there can be no doubt that the evidence of Lala Harkishen Lal, in the course of these proceed-

ings was one of the major errors of his life. It cost him a great deal in public sympathy and confidence, of both of which he stood in great need at this time.

The result of the evidence in the High Court was immediate. At an emergent meeting of the directors, it was decided by majority (D. B, D. Kishen Kishore Dhariwala dissenting) to terminate the services of Lala Harkishen Lal as Honorary General Manager. The Bank wired frantically for Mr. W. A. K. Page of the Calcutta Bar, who had successfully defeated their insolvency petition against Lala Harkishen Lal in the previous year, and paid him a fabulous fee to file further amendments to the Scheme of Resuscitation. Page persuaded the Court that to keep the Bank alive was more in the interest of the creditors and shareholders than to wind it up. After lengthy arguments, and meetings of shareholders and creditors, the Bank was fortunate in obtaining another lease of life.

[6]

The memorable term of Sir Shadi Lal, as the first Indian Chief Justice of any High Court, came to a close in April 1934. Sir Shadi Lal had been a Judge for nearly quarter of a century, of which 13 years were as Chief Justice. Not only had he been a Judge, but he was a great jurist, standing well beside Ashutosh Mukerjee, Ranade and Mahmud. It was through no easy times that he presided over the judiciary of the province, when communal passions were at their worst, and when Whitehall

took every opportunity possible to retrace its steps on the constitutional position. For ten years he held the scales of justice evenly between Hindu and Muslim. Indian and European, Government and the subject. During his whole term, it was never breathed that he manœuvred a case either to his own or to any other particular bench to obtain a certain verdict. In administration, he was equally successful, managing to carry on his onerous duties without serious suggestion of nepotism. He left the High Court with a great reputation as the court of ultimate justice.

During the period of communal controversy, certain amount of misplaced criticism over certain appointments was made, and, it was suggested that Sir Shadi Lal was following the same policy in the High Court administrative sphere as Sir Fazal-i-Hussain was following in the Government. The Government of India was not slow to take advantage of this to supersede the well-based claims of Mr. Justice Dalip Singh, to whom the office of Chief Justice should have gone by virtue of his being the senior barrister Judge. The Government of India went wide afield in search of a Chief Justice. From Allahabad they nominated Mr. Justice (now Sir Douglas) Young.

In April a new proconsul had been installed on the seat of the Caesars.

The new Chief Justice came with an impressive reputation. He had been a boxer, and was deeply

interested in boy-scouting. A collection of Allahabad judgments published, by an admirer, showed that he had brought a refreshing and vigorous outlook to bear. In the U. P. he had established a reputation in handling company promoters and sedition-mongers. He believed strongly in 'justice delayed is justice denied' in contrast to the rule followed by Sir Shadi Lal that 'justice in a hurry may be no justice at all', Heavy arrears were pending. The new regime was marked by the clearance of the arrears. On the non-official side, the boy-scouts found a enthusiastic godfather.

Though not in a matter relating to the High Court, Sir Douglas Young and Lala Har kishen La soon disagreed. Sir Douglas rented a large house on the Aikman Road, but, as ill-luck would have it, in a d.c. area of supply of the Lahore Electric Supply, of which Lala Harkishen Lal was Chairman. Sir Douglas wanted to install a large a.c. wireless set. This would only be possible if Lala Harkishen Lal would agree to a wire being stretched from a neighbouring a.c. area. When the matter was discussed by the Board, Lala Harkishen Lal observed, "Chief Justice or Governor, we cannot break the law".

[7]

Mentioning the Lahore Electric Supply Company, it may be convenient to refer to its remarkable progress at this stage. Amidst a mass of crumbling

ruins, this Company stood out as the supreme achievement of Lala Harkishen Lal's business genius. In some respects, the progress of this Company, and its numerous subsidiaries, were of late not complicated as some other concerns of Lala Harkishen Lal which were faced with strong rivals, adverse freights, and exchange. This is not to say that this Company had no problems of great difficulty. The Punjab Government's Mandi Hydro-Electric Project was a menace for several years, but Lala Harkishen Lal managed skilfully to keep the activities of that department at a distance from his mains and areas of supply, and even did business within the domains of the Hydro-Electric Project, by successfully taking over the load of the City of Amritsar, In 1934 the Punjab Government enforced its long-threatened reduction in the Company's rates of supply. In spite of this, however, the result of that year's working showed clearly the great strength of its financial position and also that of its subsidiaries.

The paid-up capital of the Lahore Electric Supply Company, exclusive of its subsidiaries, stood on March 31, 1935, at 25 lakhs. The Company's reserve and other funds amounted to over 14·14 lakhs. The value of the plant, equipment and real estate amounted to 69·81 lakhs ; its cash and liquid investments to 37·60 lakhs. In addition to its own resources, the Company was interested in several subsidiary companies, such as the Peshawar, Sialkote, Rohtak, Hissar, Central India, Katni and Bilaspur Electric Supply Companies.

The value of the Lahore Electric share on the Stock Exchange was an indication of its propularity ; it stood at 345 for a 100 rupee share. The Company, for many years, paid a dividend between 16 and 18 per cent. The Company's revenue was sufficient to treble the rate of dividend, but Lala Harkishen Lal followed a cautious and conservative policy.

On January 22, 1935, a fresh winding up petition against the Peoples Bank was made by Lala Madan Gopal, an advocate of the High Court. Lala Madan Gopal had a quarrel with the Vice-Chairman over a small deposit of thirty odd rupees. Neither Dr. Diwan Jai Chand, nor his fellow-directors, realised how far thirty rupees could go.

The case came up for hearing before a distinguished Full Bench, Chief Justice and Addison and Tek Chand JJ. It was heard in March, and the hearing was continued till April and May. Eventually, by unanimous decision, the Bank was ordered to be wound up officially.

The hearing of the petition aroused widespread interest, large crowds of members of the profession and persons, well known in commercial and public life, attending the case in its various stages. At the hearings eminent counsel figured. The Bank was represented by Mr. J. N. Aggarwal ; the Bharat Insurance Company (an opposing creditor) by Mr. Mehr Chand Mahajan. Lala Madan Gopal fought his own battle better than anybody else could have

done for him, as he was familiar with some of the transactions, which had come to his knowledge as Lala Harkishen Lal's legal adviser for many years. The Court was attentive and seemed anxious to probe the mysteries of high finance. But, in the circumstances, the Court could only arrive at a superficial understanding of several matters.

On May 22, 1935, the Bank was ordered to be wound up. The main order was delivered by the Chief Justice, who in the course of a long judgment held that there was evidence of fraud, the Bank was insolvent and its substratum had gone. Addison J. concurred with the Hon'ble Chief Justice. Tek Chand J, agreed to the winding up of the Bank, but on entirely different grounds, namely, the directors had given the Court an understanding that they would not adjust loans by means of deposits, but nevertheless, a traffic in deposits had been proved.

On the same day, Mr. Bhagwati Shanker of the Allahabad Bar was appointed official liquidator. He had arrived in Lahore some days earlier and awaited the result of the petition at the house of Mr. Kishen Dyal, an advocate of the Lahore High Court. On his appointment, he went and took charge.

Two days earlier, the Bharat Insurance Company submitted another scheme of resuscitation of the Bank, consisting mainly of a proposal to take over Lala Harkishen Lal's secured and unsecured debts at an appropriate figure, and to deposit moneys with the Bank to enable it to function. It appears that

Lala Harkishen Lal was at first a party to this scheme, then changed his mind. and sent a telegram to the Chief Justice that it was a " dummy ". Nothing then stood in the way of a winding up order.

It was, generally, anticipated that no liquidation of the Bank could be successful, without the co-operation of Lala Harkishen Lal ; secondly, that the official liquidator would make an attempt to secure the co-operation of Lala Harkishen Lal ; and, thirdly, that, if necessary, Lala Harkisen Lal could and would put up strong resistance and would eventually be able to dictate his own terms. No doubt, these were the views of Lala Harkishen Lal himself. Fortune had, however, now turned her back on him.

As to the first anticipaticn, no definite conclusion can yet be made as the liquidation is still in progress, and it is impossible to say how much creditors and shareholders will eventually receive and in what measure of time.

As to the second and third prognostications, things turned out very differently. At no time, did Mr. Bhagwati Shanker indicate that he could not proceed without the co-operation of Lala Harkishen Lal: and, as for resistance, for a variety of unforeseen reasons, it literally crumbled up and never seriously interfered, with the effort to reduce Lala Harkishen Lal to a state of impotence.

The Bank having gone into winding up in May, there was good time before the High Court closed for the long vacation, to move for an appeal to the Privy Council. No move in this direction, however, materialised. Only on the last day of limitation, *after the vacation* was notice of an appeal lodged. It had been suggested that Lala Harkishen Lal should utilise the services of the author (who was in London then as a representative of the Central Legislature at the Empire Parliamentary Conference) to obtain a stay order from the Privy Council, but nothing come out of the suggestion.

An application for leave to appeal was made in October on the day the High Court re-opened. It was apparent on the face of the application that it had been made in a hurry and had not been well considered, And, when it came up for hearing, the major controversy raged round the question whether it was in proper form and properly presented, Chief Justice and Addison J. held it was not, Tek Chand J., dissenting, held it was. This was in December 1935. Meanwhile much had happened.

The official liquidator did not allow much time to be lost before taking vigorous steps to recover the Bank's dues (or what he regarded as the Bank's dues). This is not to say that all the steps were appropriate or well considered, but they had the effect of putting Lala Harkishen Lal into a position of distinct disadvantage,

On July 1, a number of applications were

made against Lala Harkishen Lal and the ex-directors for payment orders in regard to debts and misfeasance summons for alleged acts of misfeasance, malfeasance and non-feasance. Among others against whom the official liquidator claimed on account of misfeasance were Raja Sir Daya Kishen Kaul (114 lakhs), Patiala State (100 lakhs) and S. B, Narain Singh of Delhi (25 lakhs). As some of these applications are still pending, it would be improper to say anything upon the merits.

In furtherance of these applications against Lala Harkishen Lal, the official liquidator applied successfully for attachment and obtained orders as prayed (*ex-parte*), Shopian Forest timber July 5, Amber Nath Mills July 19, dividend and income from joint stock companies July 25. On the same date, Kh. Nazir Ahmed was appointed Receiver of Shopian Forest and Receiver of the Records of Lala Harkishen Lal and Harkishen Lal and Sons, which were sealed up the following day with the assistance of the High Court bailiff. On August 5, Kh. Nazir Ahmed was appointed Receiver of Swat and Dir Forests. The applications made in July were dealt with by Monroe J. In August, Currie J. supplemented a previous order and attached Lala Harkishen Lal's income and bank balances.

In connection with the attachment of the Swat Forest, Jeevan Lal, who was now in-charge of the timber business, wrote to the Prime Minister of

Swat that the order of the High Court was illegal and not binding outside British Territory. He was directed to appear before the Hon'ble Chief Justice in response to a notice for contempt, Notice in this connection was also issued to Lala Harkishen Lal as head of the firm, but he went to Lucknow on urgent business and did not put up an appearance. Jeevan Lal was sentenced to one month and non-bailable warrants were issued for the arrest of Lala Harkishen Lal.

Lala Harkishen Lal was immediately informed. He returned to Lahore after completing his work at Lucknow. It was expected that he would be promptly arrested, but for some days no bailiff was forthcoming, Eventually he was arrested, taken in a *tonga*, first to one police station, then to another, and eventually produced in the High Court. The Hon'ble Chief Justice directed his release on a personal bond of a thousand rupees. The case was eventually heard on November 1, when Lala Harkishen Lal appeared, with his counsel Lala Sham Lal, M. L. A. to show cause why he should not be committed for contempt, firstly, in regard to the letter written by his attorney, Jeevan Lal, and secondly, for not appearing in Court in response to the notice served on him. As might well be expected, the Court room was packed to suffocation. Almost every member of the Bar not engaged in arguing a case, business men, politicians, and, what is rather unusual in the High Court, Indian ladies were also present.

As to the main charge, Lala Harkishen Lal's counsel submitted that as none of the orders in respect of which contempt had been alleged was served upon the Lala, there could be no constructive liability for the actions of an attorney. This plea prevailed. Their Lordships holding that no responsibility of Lala Harkishen Lal had been established.

A great deal of argument was addressed on the subsidiary charge, namely, the Lala's failure to attend Court on October 18, after having been served with a summon. The Lala had noted on the back of the summons that he was being served just as he was leaving for Lucknow on urgent business, and would not be able to attend on the date mentioned. The question arose, did this amount to wilful disobedience ? Counsel submitted that the respondent had never any intention to insult the Court, and did not consider an apology was called for in the circumstances. He referred to the subjects as " after all a petty matter".

Monroe J. " You call it a petty matter. Failure to obey the Court's order for attendance is a petty matter ? "

Counsel. " I do not mean that my Lord."

Chief Justice. " Do you withdraw the adjective ? "

Counsel. " I do. "

Turning to Lala Harkishen Lal, the Chief Justice asked whether he was prepared to apologise.

Lala Harkishen Lal. "Apologise for what ?"

Chief Justice. " For deliberate failure to obey an order of this Court."

Lala Harkishen Lal. " There was no such intention."

Chief Justice. " Are you prepared to apologise, Lala Harkishen Lal ? "

Lala Harkishen Lal. " No, sir, "

The Court then directed that Lala Harkishen Lal be committed to prison for a period of one calendar month. The Chief Justice, while announcing the sentence, referred to the gravity of the offence, which had been aggravated by Lala Harkishen Lal's refusal to apologise. But for his age, His Lordship observed, his sentence, should have been six months.

The news of Lala Harkishen Lal's conviction went round like wild fire. The morning papers appeared with front page streamers "*Lala Harkishen Lal Sent to Prison* ", " *Lala Harkisheu Lal Does Not Apologise* ", " *High Court Contempt Case* ", etc, The news-boys, with posters blazing the news, made hay, while their copies lasted.

The general impression of the conviction was well expressed in an editorial in the *Tribune* :

"Both on account of its importance and of the outstanding position of Lala Harkishen Lal in public life, the contempt case against him had excited great public attention both in this province and outside. The case terminated on Friday. In passing sentence, the Chief Justice observed that Lala Harkishen Lal had been guilty of gross contempt, and that, if it had not been for his age, the sentence would have been six months instead of one month. With the greatest respect for Their Lordships, we venture to think that both for the reason stated by the Chief Justice and because Lala Harkishen Lal was acquitted on the substantive charge of contempt, it was not necessary to send him to prison at all, especially after he had declared definitely that he had no intention of wilfully disobeying the order of the Court."

While Lala Harkishen Lal and Jeevan Lal were serving their sentences, more fat was on the fire. Among the orders passed during the long vacation was one by Currie J. in which Lala Harkishen Lal was prohibited from drawing remuneration and dividends from any of his concerns. A similar order had been passed some months earlier by Mehta Ganga Ram, Sub-Judge, but modified later. Lala Harkishen Lal was advised that anticipatory attachments were illegal and without jurisdiction. But the

blunder was made that instead of applying for the vacation of the order, Lala Harkishen Lal continued to receive dividends and remunerations as hitherto. Notices for contempt were issued not only to Lala Harkishen Lal, but also to various directors and officers of the Bharat Insurance Company and the Lahore Electric Supply Company, who were, it was alleged, privy to the breach of the Court's order.

In this connection, it appears the directors of the Bharat Insurance desired to engage the services of Mr. Bhulabhai Desai, M.L A. (former Advocate-General, Bombay) for the defence and Jeevan Lal went to Bombay in this connection. Mr. Desai agreed to attend, if the date was changed to December 16. On an application by the Bharat Insurance Company for change of date of hearing from 6th to 16th December, the learned Chief Justice passed the following orders : " Refused. There is no reason for this waste of money, which ought to go to the creditors of the Peoples Bank and other creditors ".

On November 27, 1935, the order was modified :

" Refused. There is no good reason shewn for adjournment. I cancel my last order as I see that Lala Harkishen Lal is not a petitioner. Mr, Bhulabhai Desai can appear, if he wishes, on 6th December."

Mr. Desai's fee was collected at h's request from the Company by Lala Sham Lal.

Then an extraordinary thing happened. On November 30. Kh. Nazir Ahmed, complainant in the contempt proceedings, lodged a report with the police under section 409, Indian Penal Code, in regard to the sum of Rs. 5,000/- as Mr. Bhulabhai Desai's fee. The police on December 3, late in the afternoon, arrested Lala Harkishen Lal, Chairman, Lala, Duni Chand and Lala Jeevan Lal, Directors, and Dr. Parshu Ram Sharma, General Manager, of the Bharat Insurance Company, on charges of embezzlement. With great difficulty, bail applications were made to the Additional District Magistrate (K. S. Mian Hakim-ud-Din), who generously agreed to hear the bail applications after dinner. Though Kh. Nazir Ahmed (according to those present) argued that he had lodged the complaint under orders, and the arrests had been made under instructions, and no bail should be granted, the Additional District Magistrate declined to be brow-beaten by such arguments and admitted all the accused to bail, remarking that they were respectable persons and the charges against them were most indefinite. Sardar Sardul Singh Kaveeshar stood surety for Lala Harkishen Lal; Dr, Satya Pal, Dr. S. D. Kitchlew, Sardar Ajit Singh of Messrs. Jai Singb and Sons stood surety for the other aceused. As apparently, whatever purpose there was for the prosecution had failed by reason of the accused getting bail, no further action was taken in the matter of the charge. These arrests, in the circumstances, created no favourable impression.

On December 6, the case for contempt came up for hearing before the Chief Justice and Monroe J. Bhulabhai Desai could not appear as the police had seized the five thousand rupees and had wired to him that he should not appear as his fee was the subject to criminal proceedings.

Out of eight respondents, Lala Ganpat Rai, Lala Duni Chand, Jeevan Lal, Dr. Parshu Ram and J. D. Khosla of the Lahore Electric Supply tendered humble apology and expressed their willingness to repay such amounts, as they had jointly or severally paid against the orders of the Court. Jag Raj, Secretary of the Lahore Electric Supply, tenderd no apology, as no order had been served on him, and he pleaded successfully that no contempt could be established against him.

There remained Lala Harkishen Lal. In his written statement, the Lala maintained that there was no contempt of the orders as, firstly, there could in law be no anticipatory attachments of incomes not fallen due ; secondly, orders served on him were different from the orders as passed by the Court ; thirdly, that money drawn was of necessity, the orders leaving him without any source of income whatever, even to meet daily, travelling, or necessary litigation expenses.

In arguing the case for Lala Harkishen Lal, Lala Sham Lal submitted that the respondent pleaded 'not guilty'. Counsel said he felt awkward in having

to defend the case of Lala Harkishen Lal, having tendered apologies in the other cases.

Chief Justice : " Perhaps the only way we could protect your client is to put him into jail."

Monroe J. : " If there has been contempt, it must be purged in some way."

The Chief Justice suggested that Lala Harkishen Lal should apologise. Lala Harkishen Lal was heard to inform his counsel that he might apologise if the " illegal orders " about his income were vacated.

Counsel proceeded to argue that the orders as to attachment were bad in law, but Their Lordships held, and rightly, that the proper course was to apply to the Court to vacate the orders, and to obey them until vacated.

At the conclusion of the arguments, Mr. Justice Monroe turning to Lala Harkishen Lal said :

" We would like to give you one more opportunity, Mr. Harkishen Lal, to apologise. Are you prepared to say you are sorry."

Lala Harkishen Lal was again seen to whisper into the ears of his counsel.

Chief Justice : " We only want 'Yes' or 'No'."

Lala Harkishen Lal : " No, sir."

Their Lordships then passed the following

order :

"We have given Lala Harkishen Lal every opporunity, at various stages of the hearing, to purge his contempt and to apologise to this Court. He has refused to take advantage of our offer. He is in open and defiant contempt now. Lala Harkishen Lal must be brought to realise that he must submit to the jurisdiction of the Court and that he cannot be allowed to disobey the orders of the Court. We sentence him to be kept in jail in respect of the charge of the disobedience of the order of the Lower Court for two months. As regards disobedience of the orders of the High Court, we order that after he has served the sentence imposed on him, for disobedience of the order of the Lower Court, he will remain in jail until such time as he humbly apologises to this Court, and further purges his contempt by payment into this Court of the sums taken in defiance of this Court's order."

A large crowd, larger than had been seen in the High Court for many years, saw Lala Harkishen Lal driven off to jail on his term of indifinte imprisonment. Those who knew Lala Harkishen Lal by temperament knew that he would never apologise, and as such, the sentence amounted to a life sentence. Lawyers were equally agreed that contempt of Court had been committed and could only be purged by an apology. There was no doubt that grave contempt of Court had been committed, but was the matter so serious as to justify

an indefinite period of incarceration, ten, twenty or forty years ?

The question was raised in the press : " Is there no maximum sentence ?" asked an important daily newspaper. An advocate of the Lahore Bar, in a signed contribution to the press, indicated that the validity of the sentence was doubtful.

A sentence of six months may have no aroused sympathy for Lala Harkishen Lal; an indefinite sentence did. The contempt was overshadowed by the question of sentence.

[8]

Lala Harkishen Lal was still in the High Court, waiting for the warrants to take him to jail, when, unknown to him, a revolution was taking place in the Bharat. At an emergent meeting, it was resolved to elect a new director to the Board. Incidentally, a radical change came over policy of the directors. They resolved to keep aloof from the litigation between the Bank and Lala Harkishen Lal and publicly issued a statement as to their policy. The appeal to the Privy Council, against the winding up of the Bank, was allowed to drop, and all Lala Harkishen Lal's efforts to interest the Bharat in his affairs met with complete failure. For a long time, it was complained that Lala Harkishen Lal had been careful to keep on the Board of the Bharat only such persons as were amenable to his will. It now

appeared that those who could not resist him were unable to put up a resistance for him.

Stung to the conclusion that he had been either betrayed, or deliberately ignored, he wrote a long letter to the *Tribune*, copies of which he sent to the Chief Justice, the Punjab Government and the Government of India. The letter, though it created some discussion, left the directors of the Bharat cold. The burden of the letter was that the Bank should be resuscitated.—but this was now dead beyond all hopes of recovery.

Meanwhile, behind the bars and with not a rupee in the world to call his own, Lala Harkishen Lal, India's erstwhile "Napoleon of Finance", witnessed a rapid acceleration in the mills of destiny. Everything he had lived and worked for was now either out of reach, or crushed under a pressure. irresistible in its power.

The Punjab Cotton Press Company Limited had already been ordered to be wound up. The Century Flour Mills was in the possession of the official liquidator, as also the mills at Bombay. Lucknow Sugar had also passed into the hands of a liquidator and receiver; Bhupindra Flour Mills had been seized by the Patiala State; the timber was under a receivership. Lala Harkishen Lal's personal papers had been sealed; his furniture had been listed; he had been forbidden to draw any income; the Bharat had repudiated his policy; another Chairman presided over the Lahore Electric Supply

Company. Men, who had believed in his infallibility, and dittoed his most casual expressions, now evaded him as if he had the plague,

Solitary and penniless, Lala Harkishen Lal was called upon to defend a petition for insolvency filed by the Bank. This petition was filed in November, while Lala Harkishen Lal was serving his first sentence for contempt. Within a few hours, the case was transferred to the original side of the High Court. Lala Harkishen Lal's objections to jurisdiction were heard by a Division Bench (Chief Justice, Monroe J.), which decided that the High Court had jurisdiction :

" We are satisfied that the words 'suit' in the Letters Patent ought not to be narrowly construed. We agree with the observations of Lord Campbell, a distinguished Lord Chief Justice, of England, that where jurisdiction is subject to doubt, it is the duty of the High Court to seize it. But in this case we do not think there is any doubt."

The actual petition come up for hearing in January and was heard on and off during February and March. Lala Harkishen Lal conducted his own case, unable to afford counsel.

The petition was based on three main allegations, (1) sale of the respondent's house in execution of a decree ; (2) transfer of certain moneys to Jeevan Lal to defeat his creditors ; (3) a collusive arbitration

between Lala Harkishen Lal and the Bharat Insurance Company in August 1935.

It was also alleged that Lala Harkishen Lal could not meet his obligations, Of the three main grounds, Lala Harkishen Lal successfully met the first two. On the third ground, namely the question of the award, the arbitrator, a lawyer of Amritsar, completely failed to substantiate his award and the remunertion paid to him. On this, Lala Harkishen Lal was declared an insolvent. The question, therefore, was not very material whether Lala Harkishen Lal could pay his debts.

In legal circles, there was the view that Lala Harkishen Lal had a good case for the Privy Council on the ground of jurisdiction, but the road to the Privy Council, like the path to Heaven, is a narrow and difficult one, there being many who start but few who reach. Lala Harkishen Lal was now a pauper. Bharat, which could have put up a fight, had hoisted the white flag.

[9]

In the midst of the crash, what was the attitude of Lala Harkishen Lal? Was he depressed? Did he lose his balance of mind? Those who met him realised that though there was a cataclysmic change in his fortunes, there was little change in the man. People who met him were surprised at his cheerfulness. He ate normally, slept normally, had his daily equip of jokes with the police escort and met the turn

of his luck with courage that had characterised his career. At this a time, he regretted only one thing: "It seems," he said, "I am losing my magnetism. I do not seem to carry my point as I used to." It was the pahetic indication that beyond seventy even Nature becomes inattentive.

In jail, he was treated as an honoured guest. Instincively, official and convict treated him with a deference that his personality commanded. But a man, who had not recognised any authority greater than his own, displayed a voluntary and conscientious obedience to jail rules and discipline. Convinced that he would never misuse his freedom, the police guard, that used to take him to the High Court and to the office of the Official Receiver, would leave him completely unattended for hours. He would telephone for his guard, when he was ready to go back to jail. Here he worked hard, sought no assistance, and fought his battle tenaciously, though it was a losing one.

[10]

The insolvency of Lala Harkishen Lal was the signal for a determined battle for the control of the Bharat Insurance Company. This Company, apart from its own importance and collosal funds, held an important share (and consequently an important voice) in the Lahore Electric Supply and its subsidiaries. The battle raged for about three months, in the course of which prominent persons figured The fight for the possession of the Company was

marked by some of the least creditable chapters in Punjab public life. At the request, however, of a persons highly placed, I omit a detailed reference to these matters and persons concerned. By July, the controversies had terminated in an unexpected manner, and the Bharat eventually went to a party outside the Punjab. Seth Ram Kishen Dalmia, in auction, acquired ala Harkishen Lal's controlling block of 5,000 odd shares for the sum of Rs. 11,00,000.

CHAPTER VII

Martyr

Fate was in a puckish mood. Since 1918, Lala Harkishen Lal and his sons had not, except very casually, lived or messed together. The family had grown up, more on the European model, than on the Hindu joint family basis. Lala Harkishen Lal had taken his sons in the business, but the businesses remained. for the most part, a one man show and rose and fell with the fortunes of Lala Harkishen Lal. By irony of circumstances, Lala Harkishen Lal and his sons were brought together in jail closer than they had been for a long number of years.

Lala Harkishen Lal and Jeevan Lal were living together, in one of the detached quarters in the Lahore jail, where at the end of July, the author joined his father and brother. The family had two rooms, a small kitchen, a small bath-room and a walled courtyard with a solitary tree. A high officer, visting the jail in October, asked where Lala Harkishen Lal was lodged. On seeing the tree, he remarked " He still lives in a park".

As an "A" class prisoner, a classification settled by the Punjab Government for their ex-Minister, Lala Harkishen Lal could have his own

food and clothes. His wants, however, were few. He was never, with all his wealth, either a big or a fussy eater. It was well known, even in his palmiest days, that he never grumbled with the cook, or with the servant, who put out a pair of torn socks. He invariably ate what came before him and put on whatever was laid out. Through the summer of '36, he lived, day and night, in woollen night suits, because there were no other clothes available, He never complained.

Pathetic as it seemed that Lala Harkishen Lal's work of a lifetime should culminate in a situation in which he and his two elder sons should be in prison, it was in some ways a blessing in disguise. They could contemplate the furture in communion, and live a life in terms of greater unity and happiness than had been in the fortunes of the family for more than two decades.

In July, Lala Harkishen Lal once more came into conflict with constituted authority. Two months earlier, the Hon'ble Chief Justice had begun the private and public examination of the ex-directors and officers of the Peoples Bank under sections 195 and 196 of the Indian Companies Act. He had examined Raja Sir Daya Kishen Kaul, Sir Sikandar Hayat Khan, Dr. Diwan Jai Chand, K. L. Gauba, Lala Naunit Rai Sethi, ex-General Manager, and many others. The question was would Lala Harkishen Lal, as ex-Chairman, submit to an examination. Perhaps in view of the fact that Lala Harkishen Lal

was still in contempt, the Hon'ble Chief Justice sent the case for hearing to Mr. Justice Din Mohammed. Here, there was some skilful skirmishing by Lala Harkishen Lal's counsel, Dr. Kutab-ud-Din of the Lucknow Bar. Lala Harkishen Lal filed an application praying for certain facilities, including examination of the reçord, before which he could be in a position to answer the questions, which he urged related to a large number of transactions, over a long period of time and many years had since then elapsed. The Court was pleased to accept certain requests, and rejected others. Lala Harkishen Lal was then asked to take the chair in the witness-box. He refused. The Court asked him to show cause why he should not be committed for contempt. The Lala wanted time, but His Lordship decided that he was not entitled to it. In passing sentence upon him of three months, it was directed that the sentence should begin at the expiry of the term he was at present undergoing.

Lala Harkishen Lal: "Then, sir, it will begin after my death."

His Lordship directed him to be taken away.

Lala Harkishen Lal and his sons remained together till November, when Lala Larkishen Lal and the author were released. Lala Harkishen Lal was ordered to be released by the High Court. Though he did not apologise, the order for release came about in an unexpected manner.

Unknown to Lala Harkishen Lal, but apparently known to some others, the Government of India was considering whether they should not release Lala Harkishen Lal on November 6, *i.e.*, after he had served six months in connection with the main contempt, two months in regard to the subsidiary contempt and three months in regard to the last contempt, in which he had been sentenced by the Hon'ble Mr. Justice Din Mohammad. In view of the assurances given by Sir Alexandar Muddiman, then Home Member, in course of the debate of the Contempts of Courts Bill of 1926, the Government of India, no boubt, considered it could no longer allow Lala Harkishen Lal to be detained beyond the period of six months in the main contempt. On an evening in October, Lala Harkishen Lal, who was permitted to go out in connection with some of his affairs, announced at dinner, " It is done :......... wanted me to file a review of the December contempt, I told him there were four different contempts. He said ' put them all down '. I put them on one sheet of paper..................objected............ spoke to him, who then accepted it...............said he would engage Mian Abdul Haye and would settle the fee. I have never known him to be so sweet. He took me in a big car and treated me as it I was the Governor."

The application was heard on October 16 by a Full Bench of the High Court (The Hon'ble Chief Justice, Monroe and Din Mohammed JJ.). Mian Abdul Haye appeared for Lala Harkishen Lal,

while the Crown was represented by the Government Advocate, Diwan Ram Lal. In disposing of the petition, the Court remarked :

"Lala Harkishen Lal was committed for contempt on four different occasions mentioned below :

"1. On the 1st November, 1935, he was awarded one month's imprisonment as, in spite of personal service, he absented himself without any lawful excuse on a date fixed for his appearance in this Court.

"2. On the 6th December, 1935, he was awarded two months' imprisonment for disobeying the order of Lala Ganga Ram, Subordinate Judge, Lahore, restraining him from receiving certain money due to him from the various concerns in which he was interested.

"3 Again, on the same date, for wilfully disregarding the injunction of this Court prohibiting him from withdrawing any moneys due to him from his concerns, he was committed to custody in jail until such time as he apologised to this Court and further purged his contempt by paying into this Court the sums of money received in defiance of this Court's injunction.

"4. On the 16th July, 1936, he was committed to jail, for three months for refusing to

answer questions on proceedings under section 196 of the Indian Companies Act, the sentence to come into effect at the expiry of his previous sentences.

"He has now presented this petition paying for the review of the above orders on the ground that they were illegal. Counsel for the petitioner has conceded at the outset that the petitioner's committal under the orders mentioned at Nos. 1, 2 and 4 above cannot be attacked on any ground. He has, however, contended that the order of the committal passed on the 6th December in respect of the contempt of this Court is unsustainable on the following grounds :

"1. That as the petitioner had been sentenced on the same day to two month's imprisonment for receiving money from different companies, he could not be convicted a second time for doing the same thing in disregard of the injunction of this Court and that

"2. The sentence passed on him being indefinite was illegal.

"We have no hesitation in saying that the first ground of attack is altogether untenable, inasmuch as the petitioner had, in flouting the authority of this Court, committed a distinct offence and was consequently liable to be punished separately on that account, even though he had already been punished

for disobeying a similar order by the Subordinate Judge. The injunction of this Court was issued much later than the order of the Subordinate Judge and was more extensive in its terms. It could not, under any circumstances, merge in the order of the Subordinate Judge so as to absolve the petitioner from the consequences of disobeying it.

" There can be no doubt that this Court, and every other non-presidency High Cort in India, is vested with an inherent right to punish for contempt of the Court itself. It cannot be disputed that a non-presidency High Cort is a superior Court of record, and, this being so, the jurisidiction to punish for contempt of itself is inherently vested in every High Court. It is a necessary incidence of this jurisdiction that such contempts are punishable summarily by committal.

" The question that really arises in this case is, whether the inherent jurisdiction of the High Courts has been taken away or in any wise limited by Act XII of 1926. Now, it is well established that Statutes, which limit or extend Common Law rights, or which limit or take away any jurisdiction vested in a High Court must be expressed in clear and unambiguous language. It becomes necessary, therefore, to examine the Act to see whether the language used justifies the construction sought to be placed upon it by the petitioner's counsel.

" The analysis of the Act clearly indicates three

things:

"1. So far as the High Courts are concerned, it merely deals with their powers to punish contempt of Courts subordinate to them, and does not, either expressly or impliedly make any provision for the High Court to deal with contempts of themselves. By sub-section (1) of section 2 it empowers the High Courts to punish contempts of the Subordinate Courts and by sub-section (3) of the same section it prohibits them from taking cognizance of contempt of the Subordinate Courts which is punsihable under the Indian Penal Code.

"2. The Act presumes that the powers of the High Courts to punish contempt of themselves does already exist and consequently empowers them to exercise the same jurisdiction, power and authority in accordance with the same procedure and practice in respect of contempt of Subordinate Courts ' as they have and exercise in respect of contempts of themselves'.

"3. In the matter of the Chief Court, the Act confers upon it the same jurisdiction, power and authority in accordance with the same procedure and practice in respect of contempt of itself, as is possessed by a High Court. It is significant that the Act

does not confer any power on the Chief Court to punish contempt of Court subordinate to it and limits its powers to punish contempt of itself alone.

" From this it naturally follows that the inherent powers of the High Courts as Superior Courts of Record to punish contempt of themselves has not been taken away by the Act ; it has been left undisturbed, and, consequently, the High Court in India continue to have power to deal with contempt of themselves in the same manner as a Courts of Record has under the Common Law of England. The sentence passed on the petitioner was, therefore, in accordance with law."

As to the possibility of an apology from Lala Harkishen Lal, Their Lordships remarked :

" There is one further question to be considered, that is, whether the ends of justice require that Harkishen Lal should be kept indefinitely in jail. On each occasion, on which his case has been before the Court, he has been invited to express his rerget ; he has on each occasion refused to do so ; and it seems to us that there is no prospect of any change in his outlook. We have to consider, therefore, what is a sufficient punishment for his offence. Taking into account his age, and what appears to us to be a mental infirmity—an incapacity to admit that he has done wrong—we think that if he is confined till the 15th of November, he will have been sufficiently

punised. We direct that he be released from prison no that date."

To general onlookers, it appeared it might have been better if Lala Harkishen Lal had let things slide a little longer, leaving it to the Government of India to take action in the matter of the indefinite sentence, The judgment clearly and unambiguously laid down that High Courts of Judicature as Courts of Record, inherit the powers of the Supreme Court, and their power to punish for contempt was left unfettered by the Act of 1926, and an indefinite term of imprisonment was legal.

The judgment naturally created great interest. The press asked for an amendment of the law, if the view of the Full Bench was correct.

[2]

Lala Harkishen Lal came out of prison three weeks short of a year. He was received at the gate by several friends, and his daughter, all of whom offered him hospitality. He refused all offers and went to stay at the Elphinstone Hotel.

A few days before Lala Harkishen Lal's release, all his belongings at his residence at Ferozepur Road, were sold by auction,—works of art, costly furniture, and silver plates. Lahore turned out in its myriads to acquire rich goods at poor values. Some of those who had dined at his house, time and again, like vultures and appeared to devour the very plates and crokery on which they had been regaled !

What surprised many people was the numberless valuable articles that could easily have been removed, but which had not been removed. Few people knew that Lala Harkishen Lal had given instructions (when he saw that the crash was inevitable) that not a paper or a finger-bowl was to be concealed. In jewellery, and miscellaneous oddments, there was enough to keep Lala Harkishen Lal and his family in comfortable circumstances for mamy years to come. He preferred honest poverty.

The proprietor of the Elphinstone did his best to make Lala Harkishen Lal comfortable. He gave him one of his best suites at a very moderate rental, and referred to the honour to his hotel in the visit of Lala Harkishen Lal. At the hotel, Lalaji was busy as ever—a continuous stream of visitors, from ministers to the poorest of his employees, paid frequent calls of homage. He moved into a flat in Dyal Singh Mansions in the beginning of the new year.

Soon after his release, an application was made to the High Court for an allowance from the estate, offering co-operation and assistance in return. This was rejected. Interviewed by the *Civil & Military Gazette* as to his plans, he stated that he was contemplating a return to chamber practice in company and commercial law, in which, as this journal observed, there could be no doubt that he was an expert.

The problem of his finances caused anxiety to his nearest friends, but, the order of the High

Court refusing him any maintenance, inspired many of his old friends, colleagues and employees to come to his rescue. They came to him, quietly. and, often, left a sum of money on a chair or a table as a silent token of their esteem. These gifts enabled him to live very comfortably the last weeks of his life. He was thus also enabled to go out and buy his grandchildren toys, a pastime that he enjoyed immensely, for he was very devoted to them. All his life, he was ardently attracted by little children, and delighted in their impertinence. Important men would have to await his pleasure to see them, but the *chowkidar's* little girl could walk up and successfully demand a share of his morning apple. One of Sir Fazl-i-Hussain's daughters, when quite small, would often be missing, having gone for a ride in the Lalaji's rickshaw.

In jail, he grew a beard, but promised to remove it when all his grandchildren made a united request. As two were in England, this was not to be. He hoped again to be able to have parties at his flat for his children and his intimate friends. This would give him an opportunity once again to dominate scenes, such as were still rich in his memory.

Perhaps, he expected soon to be able to buy a car, which would solve the biggest problem of the time. At the age of seventy-three, when one has ridden in a luxurious conveyance for forty or more years, to be called upon to walk is not welcome.

People would stop and gaze as they would see

the great Lala Harkishen Lal *walking, walking walking*. He would visit Sardul Singh Kaveeshar in the morning, the High Court in the afternoon and the Standard Bookstall in the evening. To the end of his life he was a great and voracious reader. There is no doubt he walked more in two months than he had walked in fifty years previously, This no doubt told severely on his heart.

Towards the beginning of February, he was delighted with what he termed the turn of the tide. He had anticipated that his luck would change, and said things looked like coming right, when he read of the move by the Government of India to correct the law of contempt as adumbrated in his case by the Full Bench of the Lahore High Court. He seemed also very pleased when his son, the author, in spite of the public examination in the High Court, arrest and incarceration for four months, was elected by the City of Lahore to the new Punjab Legislative Assembly.

The Government of India did not take long in noting the view of the Full Bench as to the jurisdiction of the High Court to punish for an indefinite term and in excess of the period stipulated in the Contempt of Courts Act. Quite early in the Budget Session, the Law Member (Sir N. N. Sircar) introduced a Bill to amend the Act. On February 9, the Bill was considered by the Legislative Assembly. In moving the motion for cosideration, the Law member observed :

"I would like to tell the House that this Bill does not raise any comprehensive question dealing generally with contempt of court, but is confined to a very narrow point and that is this. In 1926, this House passed an Act, which is now known as the Contempt of Courts Act No. XII of 1926. The House passed that Bill on the assumption that after the passing of the Bill, the High Courts will have no power to sentence a man indefinitely to be kept in detention. Recently the matter came up before the Lahore High Court in connection with an application made by Lala Harkishen Lal, who had been ordered to be kept in jail indefinitely. It was argued by him that the High Court had no power to detain him for more than six months, by reason of Act XII of 1926. That contention was not accepted by the learned Judges. Of course, they were quite right in ignoring statements which had been made in the House, as it is an accepted principle that, the unexpressed intention of the House does not matter in the least; the question is whether, as expressed, that intention has been carried out. They came to the conclusion, that it had not been carried out, and that they still have got the power to keep men in jail indefinitely as a result of summary proceedings.

"We have tried to make the position perfectly clear; we are trying it a second time, and I hope that this time the intention will be carried. Sir, as I said, as regards the legal question of contempt of court generally, I have no desire to enter into it.

On the one hand—I may be excused if I say a few sentences—it has been said that the law still exists of summary procedure for contempt of court, and it has been felt that such a power must be retained by the court. On the other hand, eminent English Judges have also remarked that this is an archaic procedure and the situation is really an incongruous one, *viz*., the prosecutor taking upon himself the role of the Judge; but, as I said, Honourable Members need not be troubled so far as this Bill is concerned, with any of those bigger problems. What is intended to be done by this Bill is to carry out a promise, which was made to this House, *viz*., that after the Bill was passed, it would not be possible for any High Court to inflict any longer sentence than six months."

The Bill received unanimous support from all sections of the House. According to Mr. Lalchand Navalrai (Sind), who took an important part in the debate:

" People will be very much thankful for this Bill having been brought forward for barring these mistakes from being committed any more, but, sir, I would like to know from the Honourable the Law Member, when that intention was wrongly carried out and when powers were assumed in sending people to jail for an indefinite time, what is the remedy available to such people? The Statement of Objects and Reasons made it clear, but, of course, the High Court Judges may not be bound by that.

However, a wrong has been done and I would like to know what the Honourable the Law Member would suggest. What is the remedy for the wrong done to those who have suffered. I will not call it a mistake. I would call it a wrong done to the people, and, therefore, I would like that some light should be thrown upon my question."

In the Council of State, the Bill received no less enthusiastic support. The Honourable Mr. P. N. Sapru said :—

"As the Honourable Mr. William has just reminded us, this Bill has been necessitated by a recent case which happened in the Lahore High Court. There a gentleman was sentenced to imprisonment for an indefinite period because he would not offer an apology. I think, sir, there ought to be a limit to the punishment that a court can give in a case of contempt. As a matter of fact some of us think that the Law of Contempt is in many ways archaic and that there ought to be some restrictions on this Law of Contempt. It is not right that the court should have unlimited summary jurisdiction in contempt cases."

The Honourable Haji Mohammed Hussain :

"Sir, I give my whole-hearted support to the Bill. The Law of Contempt is administered by the Judges, who are themselves the complainants, and who as human beings may be very sensitive and touchy. The more the limitations we place on their power, the better it is."

The only opposition to the Bill, in either House, came from Sir David Devadoss, an illustrious ex-Judge from Madras. He relied on certain cases, where the power to punish in excess of six months may be necessary to the High Court, "I submit, sir," he said, "all these objections ought to be considered very carefully before a Bill of this kind is brought in. We have only one bad instance of a High Court exercising the power to send a man to jail indefinitely; and in that case even, it was open to that person to purge his contempt, as we say, by apologising. Is the power of the High Courts to be taken away because one man refused to apologise in a particular case and the power was used against him ?!"

The Honourable Mr. B. K, Basu (Solicitor and ex-Mayor of Cacutta) referred in particular to the point mentioned by Sir David Devadoss about the purging of contempt by apology. In Mr. Basu's words :

"I just want to say one thing through you, sir, to Sir David Devadoss, that I was absolutely under no delusion. I know that a man when he is convicted for contempt of court is released, generally speaking, when he purges that contempt. But at the same time, I do not think we should allow the courts, if they wanted, to prolong the imprisonment for more than six months, whether the man purges his contempt or not. It is inhuman to think that simply because a man has done something, which the court thinks is contempt, the man should be incarcerated

for his whole life. Supposing a man is cursed enough not to apologise—not to purge his contempt, as you put it—is that any reason why he should be sent to jail for life ? In this particular offence, the person against whom the offence has been committed is the judge. The prosecutor is the judge in this case. That is one thing. I think in the whole of our jurisprudence, you will not find any other case where the prosecutor is allowed to be the judge. Here, of course. we all take it that the High Court Judges are supermen. We would allow them that concession of judging their own case. But I do not think that Sir David Devadoss has properly grasped what was passing through our minds."

The Bill was passed by the Legislative Assembly on February 9 and by the Council of State on March 5. It received the assent of the Governor-General a week later, thereby becoming law. Meanwhile, however, Lala Harkishen Lal had come to the end of his life's journey.

[3]

It is not necessary to dilate at any length on the last tragic chapters of Lala Harkishen Lal's life. It is regrettable that he died before his unfortuate differences with the High Court had been composed. There can be no doubt, whatever, that his failure to apologise on the two first occasions (namely in November and December 1935) was largely responsible for the speedy crash of his affairs. An apology, even a few weeks later, may have saved the total

wreck, as the Honourable Chief Justice, Monroe and Din Mohammed JJ. all seemed anxious to have an apology, and, from precedents established by them in the administration of their high offices, were well expected to take a kindly and generous view. It was equally unfortunate that the last years of Lala Harkishen Lal's life were marked by differences with such old friends as Lala Mulk Raj Bhalla and Raja Sir Daya Kishen Kaul. Not all the difficulties and embarrassments could be ascribed to Mr. Bhagwati Shanker or Khawaja Nazir Ahmed. The Punjab Cotton Press Company Limited had $5\frac{1}{2}$ lakhs in cash and failed to compromise with a creditor of a paltry twenty thousand rupees. The Punjab National Bank and the Patiala State both chafed at Lala Harkishen Lal's refusal to discuss matters. Perhaps Lalaji expected to dictate his own terms, but those near him realised the pathetic reality that the very qualities of leadership and authority that had raised him to power and success were now insurmountable obstacles in the way of a satisfactory solution of his affairs,

In spite of the chaos in his financial affairs, and of the fact that he was no longer an active participant, Lala Harkishen Lal's interest in politics was lively. Those, who discussed matters with him, realised how alert and wide awake remained his brain, He foresaw with uncanny accuracy the trend of events that came to pass months after his death, in the working of Provincial Autonomy and the growth

of the power of the Congress in the country. In Punjab, he regarded Sir Sikandar Hayat Khan as a man of destiny, and the worthy successor of Mian Fazl-i-Hussain.

In one matter, however, he was deeply convinced, but not correctly. He felt that the Government of India and its officials were responsible for the immediate catastrophe that had overtaken him. Perhaps the interest displayed in some official quarters in the earlier failures now found a realistic echo in his mind.

But if Lala Harkishen Lal had lived to see the cours of the author's case, a great deal of the bitterness that he felt towards members of the Services, in the later years of his life, would have been modified, and proved to him, as it proved to many others, that there are in India to-day Englishmen and other members of the Indian Civil Service, who maintain, with honour and distinction, the grandest traditions of British justice and character.

[4]

The first person to know that his master was no more was Ram Chand, servant, for thirty years. He used to make his tea in the morning, and by the time this was ready, Lala Harkishen Lal had had his morning walk to the gardens and back. On this particular morning, February 13, 1937, he found Lalaji sleeping longer than usual. He waited till about 8, when he knocked at the door. Receiving no response, he broke in and called his master several times,

gently shaking him. Ram Chand then realised that either Lalaji was grievously ill or had passed away. With a faint hope that life might still be tarrying, ran to Dr. H. C. Suri, who lived in a neigbouring flat.

Dr. Suri left everything to attend to the great man. When he arrived, he examined him, and found that he was already beyond human aid. Lalaji had passed away peacefully in his sleep several hours earlier. A copy of "*You Have Lived Before*" by Gaston Manet lay on a small table beside him. He had evidently been reading it before falling asleep.

The news spread like a city on fire. In hundreds, the people came to the little flat in the Dyal Singh Mansions to have a last look at their Napoleon.

Lala Harkishen Lal rested on his right side, his head turned a little within his pillow. It was indeed a very sound slumber. There was not the slightest trace of struggle or agony. A great heart had just stopped, all of a sudden.

"Only *rishis* die like this," whispered the multitude.

The funeral procession, a mile long, took several hours passing through the city. It was one of the longest ever seen. On the way the people in their thousands showered flowers on the *arthi* which by the end of the journey had become car loads. His body was covered with the tricolour national flag

placed on it by a Congress leader. He died a martyr to his conscience.

The Punjab Government, which was represented by Sir Sikander Hayat Khan, paid a graceful tribue by releasing Jeevan Lal on parole to perform the obsequies of his father. Indian banks and insurance companies closed for the day in honour of the dead.

A vast concourse of leaders and members of all communities reverently witnessed the last rites, when the earthly remains of Lala Harkishen Lal were placed on the funeral pyre.

* * * * *

During later half of the 19th century, India produced several giants in the intellectual sphere, whose conttibution at nation-building will ever be memorable. Punjab's quota to the band of supermen must be reckoned at five or six—Lala Lajpat Rai, Sir Fazl-i-Hussain, Sir Ganga Ram, Lala Harkishen Lal and Sir Shadi Lal: of these Sir Shadi Lal alone survives.

Tributes to Lala Harkishen Lal's memory and services came from far and near. In a moving editorial wrote the *Tribune :*

> " *One of the builders of Modern Punjab is dead, Lala Harkishen Lal was, indeed. a gifted man. He enriched the life of the province in many ways. His contribution to his political awakening was surpassed only*

by his contribution to its industrial development. He possessed imagination, foresight, intelligence and energy in an abundant measure. Endowed with the qualities, which enable a man to solve great difficulties, and conquer adverse circumstances, he easily rose to the pinnacle of glory. But the fame he achieved was primarily the result of his pursuit of a patriotic mission. He ardently desired his country to be free and prosperous. He took an active part in the most progressive political movements and set up institutions that added to the national wealth.

"*Nothing could bend his will and nothing could damp his enthusiasm. Critics say he was proud. He had a right to be proud. Was there ever a great man who was really not proud? With all his pride, he was kind to men, who came into contact with him, But Fate was not kind to him, when he needed kindness. Did he complain? Never. And when the angel with his darker draught drew up to him he took it and did not shrink.*"

The *Civil & Military Gazette*, a frequent critic of Lala Harkishen Lal, paid a fine chivalrous tribute to his memory epitomised in : *De mortuis nil nis bonum.*

Among other tributes the new management of the Bharat Insurance Company expressed their

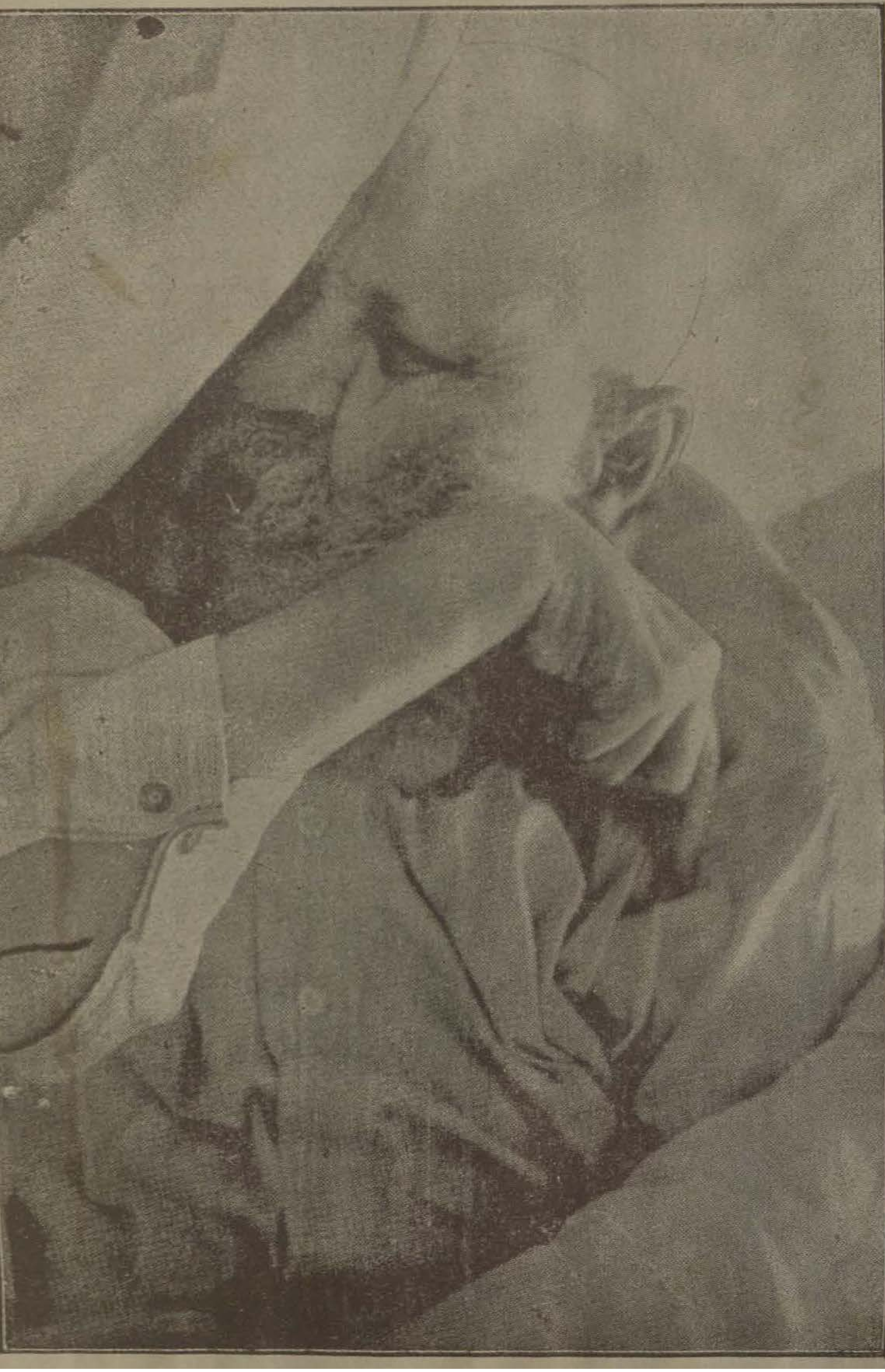
feelings in remarkably felicitous terms :

> "*This meeting of the Directors and the staff of the Bharat Insurance Company Limited are shocked to hear of the sad demise of Lala Harkishen Lal, the founder of the Company. By his death the province has lost a figure, who, for about half-a-century. has dominated the commercial, economical and political life of the Country. He, in thet truer sense of the word, was one of the makers of Modern Punjab. The Company places on record the meritorious services rendered by him to the Company in particular and the Country in general.*"

Messages came from far and near. The following tribute from the National Congress was notable :

> "*The Working Committees places on record its sense of profound sorrow and grief at the sad demise of Lala Harkishen Lal, an illustrious patriot and a distinguished nation-builder. It gratefully appreciates the inestimable services rendered by him to the Congress and the Country and deeply mourns his death.*"

In the hour of his death, people, generally, forgot the controversies of the moment ; they preferred to remember Lala Harkishen Lal as one of the great



men of his time, who showed India (and Punjab in particular) the way to industrialize, whose industries provided work and prosperity for thousands of families, whose heart was that of a patriot, who never lost courage in spite of the worst misfortunes, and who had faced starvation rather than adopt a course that appeared unacceptable to his conscience. He preferred to break than to bend.

He was a man, take him for all in all.
We shall not look upon his like again."

He died as he would have wished—mourned by his children, despaired of by his foes, and honoured by the country he had served.

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